

Claims 14, 16-25, 27-35, 37-41 and 55 stand rejected.

I. PRIORITY

The Examiner has asserted that Applicants have not complied with one or more conditions for receiving the benefit of the earlier filing date under 35 U.S.C. § 119(e). More specifically, the Examiner has asserted that the Application does not claim the benefit of the prior filed non-provisional application, since there was apparently no co-pendency between the current Application and the prior application. Applicants respectfully traverse these assertions. The present Application was filed on April 20, 2000. This Application claims the benefit of Serial No. 60/130,602, which was filed on April 22, 1999. This Application also claims the benefit of Serial No. 60/147,673, which was filed on August 2, 1999. Since this Application was filed less than a year after both of these provisional applications, this Application properly can claim the benefit of both these provisional applications.

Applicants also don't understand why the Examiner is asserting that this "application is claiming the benefit of a prior filed nonprovisional application." This Application is not claiming the benefit of any nonprovisional application, but is claiming the benefit of the above noted provisional applications.

Applicants respectfully request the Examiner to telephone Applicants' attorney at the number listed at the end of this Amendment should there remain any outstanding issues regarding this matter.

II. REJECTION UNDER 35 U.S.C. § 112

The Examiner has rejected claim 24 asserting that "the phrase 'ebillboard.net' renders the claim(s) indefinite because the claim(s) include(s) elements not actually disclosed (those encompassed by "or the like"), thereby rendering the scope of the claim(s) unascertainable." In response, Applicants do not understand this rejection. Claim 24 does not recite any type of "or the

like" language. Nor does claim 24 recite any type of language prohibited by MPEP § 2173.05(d). As a result, Applicants respectfully assert that this Section 112 rejection is inappropriate.

Again, if there remains any outstanding issues or confusion with respect to claim 24 and this rejection, Applicants respectfully request the Examiner to telephone Applicants' attorney to resolve such matters.

### III. REJECTIONS UNDER 35 U.S.C. § 102

Claims 14, 16-25, 27-35 and 37-41 stand rejected under 35 U.S.C. § 102(e) as being anticipated by *Carney et al.* (U.S. Patent No. 6,408,278) (hereinafter "the *Carney Patent*"). As the Examiner is well aware, for a claim to be anticipated under § 102, each and every element of the claim must be found within the cited prior art. In response to the foregoing rejections, Applicants respectfully traverse.

The Examiner is requested to note that the present Application claims benefit to Provisional Application Serial No. 60/130,602, filed on April 22, 1999. The present Application also claims benefit to Provisional Application Serial No. 60/147,673 filed on August 6, 1999. The *Carney Patent* was filed on November 10, 1999. Thus, the present Application has a priority based on the provisional applications from which it depends previous to the filing date of the *Carney Patent*. Applicants do recognize that the *Carney Patent* claims benefit to Provisional Application Serial No. 60/107,735, which was filed on November 10, 1998 (hereinafter "the *Carney Provisional Application*"). However, Applicants enclose a copy of the *Carney Provisional Application*, which upon review it is clear that the rejected claims are not anticipated by the disclosure in the *Carney Provisional Application*. The *Carney Provisional Application* is merely a filing of an Executive Summary, the kind of which are provided to potential investors. The *Carney Provisional Application* is not the same as the disclosure in the *Carney Patent*, nor is the disclosure in the *Carney Provisional Application* anywhere near in detail to the disclosure in the *Carney Patent*. In fact, Applicants doubt

that the *Carney* Provisional Application is even enabling for the inventions claimed in the *Carney* Patent.

More specifically, with respect to claim 14, there is no disclosure in the *Carney* Provisional Application of selecting, via the third information handling system, which of the first and second electronic billboards will display the information. Nor is there a disclosure in the *Carney* Provisional Application of uploading information from the third information handling system over the Internet to the information handling system controlling the selected electronic billboard. Nor is there a disclosure within the *Carney* Provisional Application of selecting, via the third information handling system, a time period for displaying the information on the selected electronic billboard; nor is there a disclosure in the *Carney* Provisional Application of displaying the information on the selected electronic billboard during the selected time period.

With respect to claim 16, there is no disclosure within the *Carney* Provisional Application where the electronic billboard is selected from a list of available electronic billboards which includes the first and second electronic billboards.

With respect to claim 17, there is no disclosure within the *Carney* Provisional Application wherein such a list includes a map of the first and second locations.

With respect to claim 18, there is no disclosure within the *Carney* Provisional Application for charging an amount of money for the display of the information on the selected electronic billboard.

With respect to claim 19, Applicants respectfully assert that the Examiner must examine this claim under *In re Donaldson* as set forth in MPEP § 2181. Applicants respectfully assert that clearly the *Carney* Patent and the *Carney* Provisional Application do not teach or suggest claim 19 as interpreted in view of the Specification of the present Application.

Applicants respectfully assert that claim 20 is patentable over *Carney* for the same reasons as given above with respect to claim 14.

With respect to claim 21, Applicants respectfully assert that this claim is patentable over *Carney* for the same reasons as given above with respect to claim 16.

Claim 22 is patentable for the same reasons as given above with respect to claim 17.

Claim 23 is patentable for the same reasons as above with respect to claims 17 and 18.

With respect to claim 24, nowhere within the *Carney* Provisional Application is it disclosed to upload advertising data to an ebillboard.net server via a remote computer by an advertiser, upload additional information concerning the advertiser via the remote computer by the advertiser at the advertiser's option, transmitting the advertising data from the ebillboard.net server to a selected billboard, transmitting the optional additional information concerning the advertiser from the ebillboard.net server to a website dedicated to the selected billboard, and displaying on the selected billboard the advertising information at a selected time period.

With respect to claim 25, the *Carney* Provisional Application does not disclose a consumer viewing the selected billboard is informed of the availability of additional information concerning the advertiser at the website dedicated to the selected billboard.

The *Carney* Provisional Application does not disclose the consumer viewing the selected billboard accesses the additional information concerning the advertiser through the website dedicated to the selected billboard as recited in claim 26. Additionally, the Examiner's rejections of claims 25 and 26 on page 7 of Paper No. 14 do not have anything to do with what is specifically recited within claims 25 and 26. In other words, Applicants respectfully assert that even assuming the *Carney* Provisional Application discloses the same type of information as the *Carney* Patent, such a disclosure does not equate to the language recited in claims 25 and 26 as these claims depend upon claim 24. Claims 27 and 37 are patentable over *Carney* for reasons similarly as given above with respect to claim 14.

Applicants respectfully assert that the *Carney* Provisional Application does not disclose the first designated target display is selected from one of a plurality of target displays to which the first information could be designated, as recited within claim 32.

The *Carney* Provisional Application does not disclose receiving over the first network second information and a designation of a second target display, nor does it disclose sending second information over the second network to the second designated target display, as recited within claim 34.

With respect to claim 35, the *Carney* Provisional Application does not disclose in the receiving step the first information is accompanied with a designation of a second target display, and further comprising the program step of sending the first information over the second network to the second designated target display.

With respect to claim 40, the *Carney* Provisional Application does not disclose that the second receiving program step further comprises the program steps of outputting information on whether the target display device is available to display the content, permitting a selection of the target display device if it is available to display the content, and preventing a selection of the target display device if it is not available to display the content.

With respect to claim 41, the *Carney* Provisional Application does not disclose that the third receiving program step further comprises the steps of outputting information on date and time availability of the target display device to display the content, permitting a selection of the display device at a selected date and time if the target display device is available to display the content at the selected date and time, and preventing a selection of the target display device at the selected date and time if the target display device is not available to display the content at the selected date and time.

#### IV. REJECTIONS UNDER 35 U.S.C. § 103

Claims 17, 22-23 and 55 stand rejected under 35 U.S.C. § 103 as being unpatentable over *Carney* in view of *Royal, Jr. et al.* (U.S. Patent No. 5,980,090). In response, Applicants respectfully traverse this rejection.

First of all, Applicants again assert that the *Carney* Patent is not sufficient for purposes of combining with *Royal*, since the *Carney* Patent is not prior art to the present application by itself and the *Carney* Provisional Application disclosure is not in any way as detailed, nor is it enabling, in order to suffice for the Examiner's purposes. In fact, all of the Examiner's § 103 arguments are insufficient to prove a *prima facie* case of obviousness, since the Examiner is relying upon language cited within the *Carney* Patent. Since this language cited in the *Carney* Patent does not exist within the *Carney* Provisional Application, such Examiner arguments do not provide a *prima facie* case of obviousness.

Claim 17 is patentable over *Carney* and *Royal*, since the *Carney* Provisional Application does not disclose or suggest the selecting, uploading and displaying steps recited in claim 17, contrary to the Examiner's assertion. Nor do the combination of *Royal* and the *Carney* Provisional Application teach or suggest these steps.

Furthermore, the Examiner admits that *Carney* fails to teach the list of available electronic billboards includes a map of the first and second locations. The Examiner again has cited *Royal* for teaching a list including a map of the first and second locations, and has specifically referred to Figure 7A in *Royal*. Applicants first wish to respond that Applicants have already addressed such an assertion by the Examiner on pages 9 and 10 of their previously filed Second Amendment Under 37 C.F.R. § 1.111. Those arguments are again repeated here. Fig. 7 in *Royal* does not show a map that is displayed so that sites to which information is to be uploaded to can be selected from. Fig. 7 merely shows an overview of a fueling site capable of being accessed by and communicating with a distributor, major oil companies, and a service provider, and that such are exemplary of the variety of functions capable of being provided by the asset management system of the *Royal* invention. Column 8, lines 32-45.

As a result, one skilled in the art at the time the invention was made would not have been able to recreate claim 17 in view of *Royal* and *Carney*.

Claim 22 is patentable for the same reasons as given above with respect to claim 17.

Claim 23 is patentable for the same reasons as given above with respect to claims 17 and 22.

Claim 55 is patentable for the same reason as given above with respect to claims 17, 22 and 23.

Furthermore, Applicants do not understand how the Examiner can reject claims 17 and 22-23 under § 103 as being unpatentable over *Carney* in view of *Royal*, and also reject these same claims as being unpatentable under § 102 as being anticipated by *Carney*. It would seem that if *Carney* anticipates claims 17 and 22-23, there is no need to then combine *Royal* with *Carney* to assert that these claims are obvious. Thus, this proves that the Examiner's § 102 rejection of claims 17 and 22-23 is inappropriate.

Claims 14, 16-17, 2-22, 24-25, 27-35, 37-41 and 55 stand rejected under 35 U.S.C. § 103 as being unpatentable over *Royal* in view of *Adler et al.* (U.S. Patent No. 6,009,409). In response, Applicants respectfully traverse this rejection.

First of all, the Examiner is again relying on Fig. 7 in *Royal* asserting that this figure illustrates a map where displays can be located corresponding to the electronic billboards recited within the claims of the present Application. Applicants traverse such assertions and refer the Examiner to the arguments above with respect to Fig. 7 in *Royal*.

With respect to claim 14, the Examiner has admitted that *Royal* fails to teach the steps of selecting, via the third information handling system, a time period for displaying the information on the selected electronic billboard, and displaying the information on the selected electronic billboard during the selected time period. To overcome this deficiency, the Examiner has cited *Adler* for teaching a system which includes a time allocation controller that allocates time available in a particular advertising region in a display device. In response, Applicants respectfully assert that

*Adler* fails to teach the selecting and displaying steps, contrary to the Examiner's assertion. Claim 14 specifically recites that there are first and second billboards, one of these billboards is selected for uploading of display information, and then a time period for displaying such information is selected for the selected electronic billboard, and the information is then displayed on that selected electronic billboard during the selected time period. This is not possible with *Adler*. Instead, *Adler* merely teaches that at least two advertisements may be allocated to be displayed on a single display device of a remote computer, so that the advertisements may be displayed at different times on that particular single remote computer. Column 2, lines 13-21; column 8, lines 30-39. Thus, it is impossible for *Adler* to select a time period for displaying information on an electronic billboard that has been selected from at least two separate electronic billboards, for then displaying that information at that selected time period. Furthermore, in combining *Adler* and *Royal*, the Examiner has provided the following motivation:

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to utilize the schedule of advertising in a communication network and remote computer program taught by *Adler* in *Royal*'s computer network system, because this software, firmware based [*sic*] may be implemented using some suitable combination of at least two of the three (col. 2, lines 25-30).

Applicants respectfully assert that this motivation provided by the Examiner is insufficient to support a *prima facie* case of obviousness. Column 2, lines 25-30 instead merely discloses that the data communication controller in *Adler* may be implemented in software, firmware, or hardware or a combination thereof. The "combination" is not referring to the teachings of *Adler* and *Royal*. This language does not provide a suggestion to one skilled in the art to combine *Adler* and *Royal* as asserted by the Examiner. As a result, the Examiner's motivation to combine *Adler* and *Royal* is misplaced and/or is merely his own subjective opinion, without any factual support.

With respect to claims 17 and 55, Applicants respectfully refer the Examiner to the arguments above that *Royal* does not teach or suggest the map of the first and second locations included within the list of electronic billboards.

With respect to claim 20, Applicants respectfully traverse this rejection for the same reasons as given above with respect to claim 14, and also assert that the Examiner must examine this claim under *In re Donaldson*. MPEP § 2181.

With respect to claim 22, Applicants respectfully traverse this rejection for similar reasons as given above with respect to claim 17.

With respect to claims 24 and 25, Applicants respectfully traverse this rejection for reasons similarly as given above with respect to claims 14 and 17.

Further, with respect to claim 24, Applicants respectfully assert that there are several limitations recited in claim 24 that are not in any way taught or suggested by *Royal*, contrary to the Examiner's assertions. More specifically, *Royal* does not in any way teach or suggest the step of uploading additional information concerning the advertiser via the remote computer by the advertiser at the advertiser's option. Nor does the Examiner in any way specifically address this claim limitation. As a result, *Royal* does not teach or suggest the step the step of transmitting this optional additional information concerning the advertiser from the ebillboard.net server to a web site dedicated to a selected billboard. Nowhere within *Royal* is such a web site dedicated to a selected billboard taught or suggested. In other words, nowhere within *Royal* is it taught or suggested to have a web site associated with each display at a gas pump. Additionally, the Examiner has not in any way specifically addressed this claim limitation.

The language in column 8, lines 50-59 does not disclose an Internet/web site/home page dedicated to a selected fuel dispenser 12. This language merely describes a price posting interface page for permitting one to change prices at a particular fuel dispenser. Furthermore, an uploading interface is provided to upgrade software at the computer associated with a particular fuel dispenser. This is not the same as having a web site dedicated to a selected billboard to which optional additional information concerning an advertiser is transmitted to such a web site after being uploaded by an advertiser. The language in *Royal* in fact teaches the opposite by disclosing a web page that can be utilized to send information from such a web page to the gas pump display.

With respect to claim 25, *Royal* does not in any way teach or suggest that a consumer viewing the selected billboard is informed of the availability of additional information concerning the advertiser at the web site dedicated to the selected billboard. *Royal* does not provide any possibility for a consumer at a gas pump to be informed of the availability of additional information at a web page where they can learn more about the advertiser. In view of the Examiner's interpretation of the language at column 8, lines 50-59, *Royal* would have to provide some type of information on the display at the fuel dispenser informing the consumer that they can go to the price posting interface web page to learn more about what is being advertised at the fuel dispenser display. Naturally, this is not what is being taught or suggested by *Royal*.

As a result of the foregoing, the Examiner has relied upon incorrect factual predicates in using *Royal* to reject the claims. Therefore, the Examiner's *prima facie* case of obviousness fails. *In re Rouffet*, 47 U.S.P.Q.2d. 1453, 1455 (Fed. Cir. 1998).

Claim 27 is patentable over the cited prior art for reasons similarly as given above with respect to claim 14.

Claims 37-39 are patentable over the cited prior art for reasons similarly as given above with respect to claim 14.

With respect to claim 40, the Examiner has completely failed to specifically address these claim limitations. For this reason alone, Applicants respectfully assert that the Examiner has failed to prove a *prima facie* case of obviousness in rejecting claim 40. Furthermore, neither *Royal* nor *Adler*, nor their combination, teaches or suggests the steps of outputting information on whether the target display device is available to display the content, permitting a selection of the target display device if it is available to display the content, and preventing a selection of the target display device if it is not available to display the content. As a result, one skilled in the art at the time the invention was made would not have been able to recreate claim 40 in view of *Royal* and *Adler*.

Claim 41 is also patentable over *Royal*, since the Examiner has completely failed to specifically address these claim limitations, thus failing to prove a *prima facie* case of obviousness

in rejecting claim 41. Furthermore, *Royal* and *Adler* do not teach any of the outputting, permitting, or preventing steps specifically recited within claim 41.

V. CONCLUSION

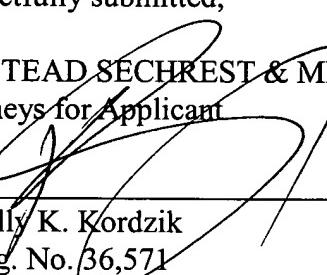
As a result of the foregoing, it is asserted by Applicants that the remaining Claims in the Application are in condition for allowance, and respectfully request an early allowance of such Claims.

Applicants respectfully request that the Examiner call Applicants' attorney at the below listed number if the Examiner believes that such a discussion would be helpful in resolving any remaining problems.

Respectfully submitted,

WINSTEAD SECHREST & MINICK P.C.  
Attorneys for Applicant

By:

  
Kelly K. Kordzik  
Reg. No. 36,571

5400 Renaissance Tower  
1201 Elm Street  
Dallas, Texas 75270-2199  
(512) 370-2851

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**PATENT APPLICATION**

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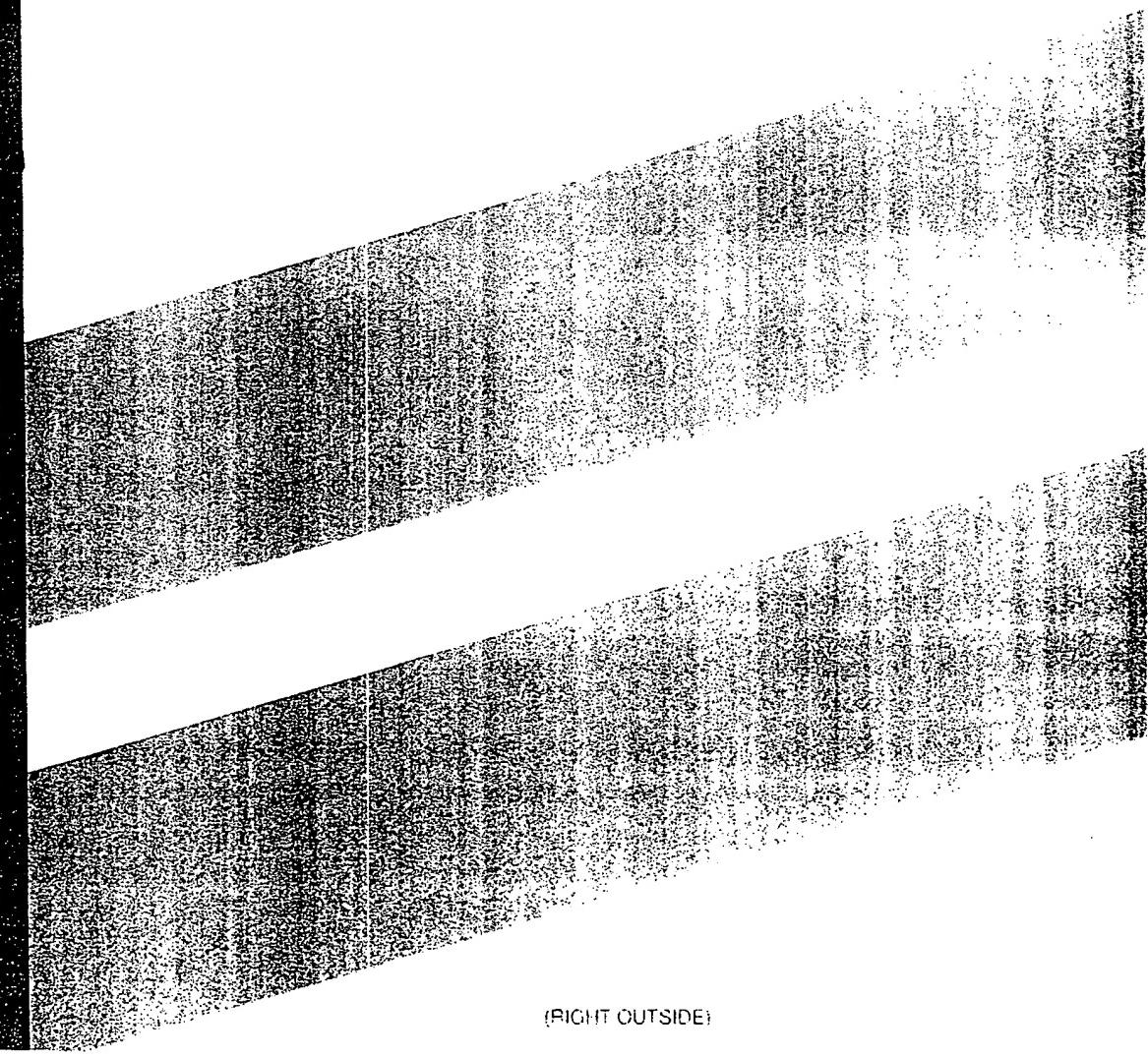
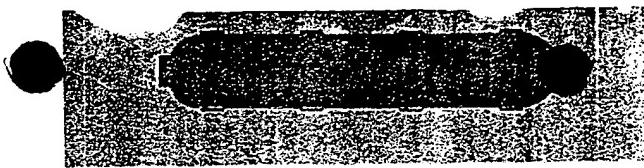
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1. Application \_\_\_\_\_, papers.  
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PATENT APPLICATION SERIAL NO. \_\_\_\_\_

U.S. DEPARTMENT OF COMMERCE  
PATENT AND TRADEMARK OFFICE  
FEE RECORD SHEET

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SERIAL NUMBER 60/107,735 PROVISIONAL	FILING DATE 11/10/98	CLASS	GROUP ART UNIT 0000	ATTORNEY DOCKET NO. 09048.0001
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APPLICANT  
PATRICK J. CARNEY, WALLINGFORD, PA; JOEL B. PINA, WESTCHESTER, PA.

\*\*CONTINUING DOMESTIC DATA\*\*\*\*\*  
VERIFIED

\*\*371 (NAT'L STAGE) DATA\*\*\*\*\*  
VERIFIED

\*\*FOREIGN APPLICATIONS\*\*\*\*\*  
VERIFIED

FOREIGN FILING LICENSE GRANTED 11/30/98

Foreign Priority claimed 35 USC 119 (a-d) conditions met	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> Met after Allowance	STATE OR COUNTRY PA	SHEETS DRAWING 0	TOTAL CLAIMS	INDEPENDENT CLAIMS
Verified and Acknowledged Examiner's Initials _____					

ADDRESS  
GREGORY J KIRSCH  
NEEDLE & ROSENBERG  
SUITE 1200 THE CHANDLER BUILDING  
127 PEACHTREE STREET N E  
ATLANTA GA 30303-1811

TITLE  
"SYSTEM AND METHOD FOR DISTRIBUTING OUT-OF-HOME ADVERTISING VIA THE INTERNET"

FILING FEE RECEIVED \$150	FEES: Authority has been given in Paper No. _____ to charge/credit DEPOSIT ACCOUNT NO. _____ for the following:	<input type="checkbox"/> All Fees <input type="checkbox"/> 1.16 Fees (Filing) <input type="checkbox"/> 1.17 Fees (Processing Ext. of time) <input type="checkbox"/> 1.18 Fees (Issue) <input type="checkbox"/> Other _____ <input type="checkbox"/> Credit
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SERIAL NUMBER 60/107,735 PROVISIONAL	FILING DATE 11/10/98	CLASS	GROUP ART UNIT 0000	ATTORNEY DOCKET NO. 09048.0001
APPLICANT PATRICK J. CARNEY, WALLINGFORD, PA; JOEL B. PINA, WESTCHESTER, PA.				
**CONTINUING DOMESTIC DATA***** VERIFIED				
**371 (NAT'L STAGE) DATA***** VERIFIED				
**FOREIGN APPLICATIONS***** VERIFIED				
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Foreign Priority claimed 35 USC 119 (a-d) conditions met		STATE OR COUNTRY PA	SHEETS DRAWING 0	TOTAL CLAIMS INDEPENDENT CLAIMS
Verified and Acknowledged Examiner's Initials _____ Initials _____				
ADDRESS GREGORY J KIRSCH NEEDLE & ROSENBERG SUITE 1200 THE CHANDLER BUILDING 127 PEACHTREE STREET NE AL 30303-1811				
TITLE "SYSTEM AND METHOD FOR DISTRIBUTING OUT-OF-HOME ADVERTISING VIA THE INTERNET"				
FILING FEE RECEIVED \$150	FEES: Authority has been given in Paper No. _____ to charge/credit DEPOSIT ACCOUNT NO. _____ for the following:	<input type="checkbox"/> All Fees <input type="checkbox"/> 1.16 Fees (Filing) <input type="checkbox"/> 1.17 Fees (Processing Ext. of time) <input type="checkbox"/> 1.18 Fees (Issue) <input type="checkbox"/> Other _____ <input type="checkbox"/> Credit		

JCS40 U.S. PTO  
11/10/98

ATTORNEY DOCKET NO. 09048.0001

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JCS41 U.S. PTO  
60/107735

## PROVISIONAL APPLICATION FOR PATENT COVER SHEET

This is a request for filing a PROVISIONAL APPLICATION FOR PATENT under 37 C.F.R.  
§ 1.53(c).

	Docket Number	09048.0001	Type a Plus Sign (+) inside this box - - -	+  
INVENTOR(s)/APPLICANT(s)				
LAST NAME	FIRST NAME	MIDDLE INITIAL	RESIDENCE (City and Either State or Foreign Country)	
Carney Pina	Patrick Joel	J. B.	Wallingford, PA Westchester, PA	
TITLE OF INVENTION (280 characters max)				
"System and Method for Distributing Out-of-Home Advertising via the Internet"				
CORRESPONDENCE ADDRESS				
Gregory J. Kirsch, Esq. NEEDLE & ROSENBERG, P.C. Suite 1200, The Candler Building 127 Peachtree Street, N.E. Atlanta				
STATE	Georgia	ZIP CODE	30303-1811	COUNTRY U.S.A.
ENCLOSED APPLICATION PARTS (Check All That Apply)				
<input checked="" type="checkbox"/>	Specification	Number of Pages	[19]	
<input type="checkbox"/>	Drawing(s)	Number of Sheets		
			Small Entity Statement	
			Power of Attorney	
			Other (specify)	

ATTORNEY DOCKET NO. 09048.0001

METHOD PAYMENT OF FILING FEES FOR THIS PROVISIONAL APPLICATION FOR PATENT (Check One)

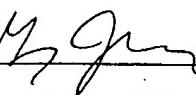
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| <input checked="" type="checkbox"/> A check or money order is enclosed to cover the filing fees.  | FILING FEE AMOUNT | \$150.00 |
| <input type="checkbox"/> The Commissioner is hereby authorized to charge filing fees and credit Deposit Account Number:   |                   |          |
| <input type="checkbox"/> The Commissioner is hereby authorized to charge any additional fees which may be required in connection with the following or credit any overpayment to Deposit Account No. 14-0629. |                   |          |

The invention was made by an agency of the United States Government or under a contract with an agency of the United States Government.

- No.
- Yes. The name of the U.S. Government agency and the Government contract number are:  
\_\_\_\_\_  
\_\_\_\_\_

Respectfully submitted,

SIGNATURE



Date 11/10/98

TYPED or PRINTED NAME: Gregory J. Kirsch

REGISTRATION NO. 35,572  
(If Appropriate)

NEEDLE & ROSENBERG, P.C.  
Suite 1200, The Candler Building  
127 Peachtree Street, N.E.  
Atlanta, Georgia 30303-1811

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CERTIFICATE OF EXPRESS MAILING

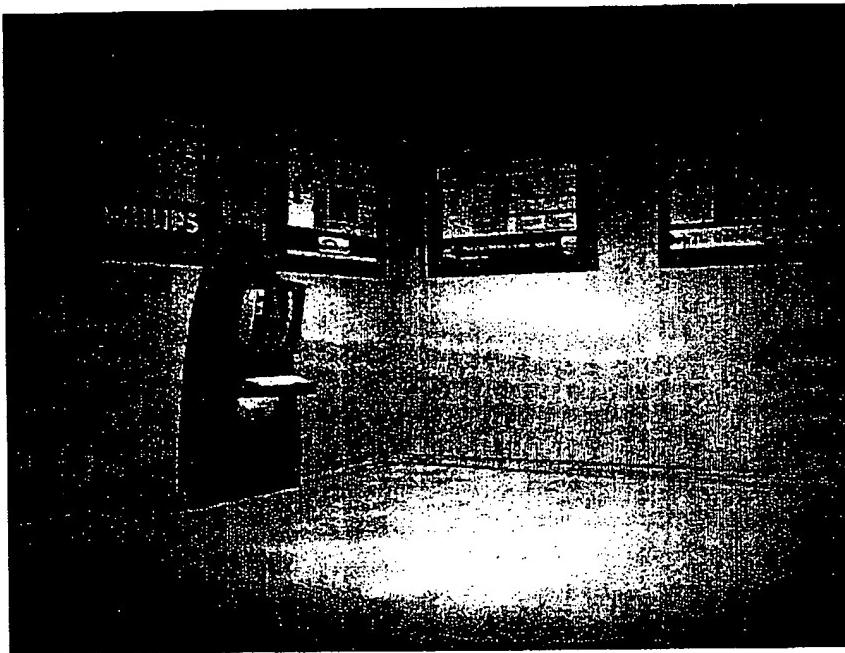
I hereby certify that this correspondence is being deposited with the United States Postal Service as Express Mail Invoice No. EL211203251US in an envelope addressed to: BOX PROVISIONAL APPLICATION, Assistant Commissioner for Patents, Washington, D.C. 20231, on this 11 day of November, 1998.

Charles Hancock  
Charles Hancock

11 November 98  
DATE

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PHOTEX SECTION 05



*I-Open*

*Confidential*

## I. NON-CONFIDENTIAL EXECUTIVE SUMMARY

### A. COMPANY HISTORY

#### *Company history and primary business.*

#### *Previous product development and sales.*

I-Open ("the Company") is a development stage company. The Company's primary business is Internet-enabled out-of-home advertising. Joel Pina and Patrick Carney started the Company in November 1997 while the two were studying in the Wharton Executive MBA program. As the I-Open business model has evolved, it has received increasing validation from various sources, including Wharton faculty, and diverse technology, advertising, communications and private equity industry players. This validation and the efforts of the founders have brought I-Open to its current state, where an infusion of capital is required to fund development of a prototype and to further advance the Company. To date, Pina and Carney have contributed \$11,500 cash, and an estimated \$60,000 (600 hours) of in-kind support. In addition, a technology-consulting firm, K Consultants, Inc. has contributed \$15,000 of in-kind technical research to support this application.

#### *Key technical and management personnel.*

I-Open has assembled a team of professionals with over 60 years of combined expertise relevant to this venture. This includes experience in technology, corporate development, finance, marketing, sales, and communications infrastructure.

### B. PROJECT OVERVIEW

#### *Describe the market opportunity the project will pursue.*

Each year, companies in the U.S. spend more than \$100 billion on Television, Print, Radio and Outdoor advertising delivering their message to consumers. These traditional channels, while effective, often require large up-front financial commitments, demand lead times of weeks or months, and deliver a static message that is very expensive and time consuming to modify once produced. In this decade, however, the Internet is changing this model, allowing companies to quickly produce low-cost ads that can be modified on a daily basis. Advertisers are increasingly migrating to this new medium, delivering historical and projected CAGRs for Internet advertising of over 100%. Despite this growth, current Internet advertising reaches only those consumers that are already "on line". I-Open intends to fill this gap by providing a public forum for Internet advertising.

I-Open will create a network of Virtual Billboards ("VBs") that will be deployed in high-traffic public locations such as airports and shopping malls. These VBs will show high-resolution, full color Internet-driven advertisements that can be updated almost instantaneously, representing a dramatic improvement over present advertising vehicles such as back-lit dioramas with static content. In short, I-Open will combine the latest Internet, video and data transmission technologies with time-tested advertising models to create an advertising medium unique in the marketplace. I-Open will allow advertisers to lower their cost per exposure, shorten their development lead times and update their advertisements on a daily or even an hourly basis. Moreover, I-Open VBs will liberate Internet advertising from the confines of one-to-one distribution and transform it into a one-to-many or mass-market communications medium.

As with traditional media, companies can use I-Open VBs to create awareness, enhance their image, educate the consumer and drive the consumer to make a purchase. But unlike other advertising media, a second component of the I-Open network, the I-Open Kiosk, will enable consumers to react immediately to the featured advertisements. Upon viewing an ad on the VB, consumers can use a nearby I-Open Kiosk to access the website of the advertiser and make a purchase -- a true direct response advertising model. Using this combination of I-Open VBs and Kiosks, consumers can do everything from making a hotel and rental car reservation to ordering merchandise featured in a VB advertisement. The Kiosks provide consumers with the ability to make purchases in real time, reacting immediately to the advertisements featured on the VBs. The Kiosks will offer "free" Internet access (limited to a finite universe of websites of paying I-Open customers) in exchange for limited demographic profiles keyed in by web surfers. The combined network of VBs and kiosks will allow I-Open to be a channel for interactive advertising and to deliver to advertisers progressively higher valued mindshare in the form of 1) Multimedia Impressions (VB transit viewers and Kiosk surfers); 2) Clickthroughs; 3) Qualified Leads/Inquiries; and 4) Retail Transactions. In addition, I-Open will develop and sell data on kiosk users and their surfing habits. It is all part of the I-Open vision: *Create a better way for companies to reach customers and call them to action.*

The cost and timing benefits of the Internet are driving advertisers to commit larger proportions of their ad spending to this medium. In spite of this race to the Web, most advertisers can only reach a small portion of potential consumers for their products via the Internet. One source estimated just 19% of U.S. households had Internet access in 1997, and that only 31% would have in-home access by 2001.<sup>1</sup> It is simply a matter of time before someone takes the Internet from the individual user's desktop to a public arena. Moreover, different types of competitors are already emerging in the considered space. Some examples include CNN Airport, pay-per-use kiosks, "dynamic dioramas" (scrolling content/ads by vendors such as SkySites and AK/Media Airport), Food Court TV; Laser-disc "advertorial" projection systems, and in general, the consolidation trend between large media, telecom and Internet companies (i.e. AT&T/TCI/@Home; & AOL's recent acquisitions through Chancellor Media).

I-Open

The primary market for I-Open's network of VBs and kiosks consists of conventional out-of-home advertisers as well as any company using the Internet as an advertising medium, especially publishers and aggregators of online content who sell advertising "real estate" (e.g. MSN, ESPN.com, and usatoday.com). Online publishers are seeking strategies that increase their circulation and drive up the value of advertising space. I-Open will drive a change in the Web-advertising paradigm from the current "pull" strategy to a "push" strategy. This "push" strategy is a natural extension of current reach efforts, but is appropriately within the Internet medium. I-Open's VB distribution model is analogous to the traditional outdoor advertising model. This model eliminates the "one-to-one" restriction of current Internet advertising, thereby increasing the effectiveness of advertising expenditures and market reach efforts. The paradigm shift from a "pull" strategy to a "push" strategy increases the circulation and reach of sponsored content, better leveraging advertising expenditures. The I-Open network will allow marketers to obtain a larger population of eyeballs at costs just marginally above their already sunk costs of online campaigns.

Because of the rapid growth and adoption of the Internet medium, and only a very recent migration of advertising dollars to this new realm, estimates of the size and projected growth of this new medium vary widely. Studies project Internet advertising spending by the year 2002 to range from a conservative \$6 billion to a more aggressive \$23 billion.<sup>2</sup> Despite this wide variance, two things are clear in all the estimates - both the rate of growth and the size of the market are considerable. I-Open will help these advertisers maximize their return on their Internet advertising investment. An additional significant target realm is the out-of-home advertising market. One source estimated 1997 out-of-home ad revenues to be over \$4 billion. Excluding out-of-home dollars, total U.S. advertising spending across other media -- newspapers, television, magazines, radio, cable and the Internet in 1996 was estimated at nearly \$107 billion.

*Summarize the project's goals and objectives.*

The goal of the I-Open project during the proposed BFTC engagement is to advance from a well-researched and defined concept to a market-ready prototype of the I-Open network. This is an essential step prior to a live pilot-test of the network. A working prototype will add significant value to the Company's model by validating the technology, and clearly demonstrating to advertisers and investors the value proposition of the I-Open model as a meaningful new medium.

- Highlight specific core competencies the company may bring to the project.*
- In addition to the strong management team mentioned above, the Company is in the process of developing key strategic relationships. Existing and developing relationships include K Consultants, NetTV, USA Today, Lyons Marketing Communications and Needle & Rosenberg (see appendix for selected endorsement letters). These relationships will leverage external expertise and help mitigate some of the early cash requirements and risks while I-Open develops the required technology in the prototype and pilot phases. Through Needle & Rosenberg, the Company is in the process of filing a provisional patent application for its network and is filing trademark applications for the marks "I-Open"; "iOpen", "Virtual Billboards", and "VBs". The Company has registered the domain name for "I-Open.com".
- Moving forward, the Company's goal is to aggressively pursue strategic alliances with key vendors in order to bundle and deploy the best practices of the Internet value chain. Recognizing the rapid pace of change and vast array of technological expertise required to be a leader in the evolving Internet space, I-Open's strategy is to assemble alliances with industry leaders in the areas of hardware, software and communications. In addition, I-Open will also pursue exclusive relationships with proprietary players (i.e. such as SABRE®, to enable I-Open ads and content at airports to be site-specifically targeted and to coincide with individual flight arrivals and departures). The pursuit of strategic alliances is designed to optimize the Company's value proposition by capturing proprietary advantages, efficiently identifying and developing the best available technology, accelerating speed to market, and minimizing I-Open's operating costs.

**C. EXPECTED OUTCOME OF BFTC-FUNDED PROJECT**

*Briefly describe the expected results of the project work.*

*Identify subsequent steps to be taken in product development.*

I-Open expects the project to result in the successful creation of a working prototype, and to position the Company for pilot-phase rollout and subsequent funding. Upon BFTC funding, the founders will contribute \$40,000 in cash and \$xx in kind support to help fund this phase of prototype development. In addition, K Consultants will contribute \$25,000 of in-kind support to advance this project. Following successful development of the prototype, the Company will enter the pilot stage. In the pilot phase, I-Open will build, install and beta-test a live network of approximately five sites of VBs and Kiosks in local high traffic areas such as the King of Prussia Mall and Philadelphia Airport. Carney will exit his current employment and commit full-time to overseeing the execution of this project.

While developing prototypes and beta testing, I-Open will be executing strategies to acquire premium sites, customers, and allies. Once the beta-tests have validated the value proposition, I-Open will aggressively pursue capital and strategic alliances in order to achieve rapid scale and create a sustainable first-mover advantage. As with the MAC® Machine, ubiquity will be a key success factor.

**II. SCIENTIFIC AND TECHNOLOGICAL ASPECTS OF THE PROJECT****A. PROBLEM STATEMENT AND BACKGROUND***What are the goals and objectives of your project?*

The goal of I-Open is to create a technical infrastructure that will allow the Company to create a new and enhanced medium through which to distribute Internet and out-of-home advertising. The Company anticipates a convergence between the rapidly growing online advertising medium and the existing out-of-home medium. To capitalize on this convergence, I-Open will create an Internet-linked network that includes Virtual Billboards and kiosks distributed initially throughout the region, subsequently throughout the country, and potentially throughout the world.

Currently available Internet technology will allow the Company to efficiently and cost-effectively push content and advertising to its network of VBs and kiosks. Moreover, this technology will allow I-Open to deliver high impact multimedia ads nearly real-time on a site-by-site specific basis. Because the VBs and kiosks will be installed in high traffic public spaces, the Company, and its advertising clients will reach a much broader audience than that achieved through current Internet one-to-one "pull" strategies.

The project consists of essentially three phases. The first and current step is the prototype phase in which the Company will create a technically sound prototype, or "proof of concept". This application is specifically requesting support for the prototype phase. Following development of a successful prototype, the Company will enter the pilot stage in which a small I-Open network of VBs and kiosks will be deployed and beta tested in the Philadelphia area in order to gather field data refine the model and confirm the value proposition. Subsequent to the pilot, the Company will enter a rollout phase and deploy the I-Open network throughout the United States.

*■ What is the present state of the technology that is the basis for your project?*

■ The key technologies essential to the I-Open business model include:

- ⇒ "Push" technology.
  - ⇒ HTML/browser technology.
  - ✓ ⇒ Web/Multimedia publishing software.
  - ✓ ⇒ Online advertising management software.
  - ⇒ Proxy/firewall technology; Relational Database Management Systems (RDBMS)
  - ⇒ Virtual Private Networks (VPN).
  - ⇒ PC kiosks.
  - ⇒ Large (and flat) screen displays.
- Online updating centers on Internet "push" technology as currently implemented by companies such as PointCast and Microsoft. In traditional Internet "pull" technology usage, the user selects which sites to "visit" and in turn, what content to view, including advertising. "Push" technology uses "channels" to send information to the user as selected by the administrator of the site. This content is usually Web based (i.e. HTML, GIF animations, etc...) and developed with standard Web tools or integrated from existing Web sites. Similar to broadcast media advertising, the user selects the channels and the advertisers control the content. Microsoft has integrated a series of channels in its deployment of Internet Explorer 4.0. PointCast has distributed, via the Internet, their own version of a browser that "tunes" in pre-defined channels. This software is available free of charge and tools are also available to add-on an additional private channel. PointCast's content and advertising usage is similar to the I-Open model. Configuration and content files are stored on a centrally managed server that updates the clients daily, or as needed. Multimedia advertisements are published centrally and distributed via the Internet. The limitations of the PointCast model relate to the degree of customization, and the tracking of demographics. Specifically, users are limited to one customized channel and a lack of an Application Programming Interface (API) renders PointCast a "closed" platform. (APIs are software interfaces that programmers use to modify and/or exchange information with the host application, in this case PointCast).

Custom tools exist that allow for the implementation of a unique "push" platform. BackWeb offers a family of software products that include BackWeb Infocenter and BackWeb Automation SDK. Product literature describes the following functionality: Infocenter & Polite server store "content and/or access it from other systems and deliver it to appropriate users...It also has a component that enables the creation of custom Web and file distribution channels, (and the) creation and management of workgroups." These workgroups provide infinite flexibility on what content gets delivered to which client (kiosk or VB). The software developers kit allows for customization beyond the "out of the box" solution to the degree that, "organizations can quickly implement personalized channels pushing Web and non-Web content in an automated way." BackWeb's "knowledge distribution solution" incorporates industry standards with the use of the BackWeb Server Extensions API, BackWeb Client Components API and extensibility that allows the system to be "connected to various back-end systems such as databases and other types of information stores." In addition to channels developed in conjunction with customers, over 700 public channels exist that can be subscribed to and managed by the BackWeb Infocenter. PhillyOnline would be an example of a channel that could be delivered to all kiosks in the Delaware Valley. In

addition, BackWeb markets a Proxy server that controls Web site access and increases performance. Third party Proxy servers are also available from Microsoft and Netscape.

The use of "push" technology to deliver real-time, geographically sensitive content and ads to the kiosks and VBs combined with a "portal" Web site that contains links and ads correlating to I-Open customers for browsing, allows for a wide scope of possibilities. This Web site will be used to collect limited demographic material and store critical data concerning the Web viewing and response habits of customers. As in the case of "push" technology, there exists a market leader in the management of online advertising management. NetGravity's AdServer is a product designed specifically for managing the delivery of ads, as well as the collection of data. The integration of its GeoTargeting service allows for the targeting of ads to geographical regions by accessing a Worldwide Geographic Database of IP addresses. The criteria for targeting can be customized to any degree. AdServer provides administration tools that allow "targeting groups" to be created and managed from a central location. These features minimize costs and allow for infinite customizing of ad delivery. Again, the entire AdServer platform can be integrated with existing technology through the use of it's open API.

Virtual Private Networks ("VPNs") provide for a cost-effective method to inter-connect client locations and the central management site. VPNs use the Internet and encryption software to establish virtual connections without the higher costs of dedicated lines. In the I-Open model, each remote location would establish a dedicated connection to the nearest Internet Service Provider ("ISP"). The data transmission methods could range from analog modems to ISDN (Integrated Services Digital Network) to ADSL (Asymmetric Digital Subscriber Line). ADSL is the newest, and therefore least proven and least available technology, but provides the highest throughput. Analog modems provide reliability and utilize Plain Old Telephone System (POTS) lines, although limited in throughput to 56Kbs. The bandwidth limit will constrain the level of high graphic, high quality voice multimedia content. Multi-link technology can be used to double the throughput while doubling the relatively inexpensive costs of connection. Multi-link technology is available as a built in product on Microsoft Windows NT Server, as is the necessary software to implement VPN. These products are also available from third party vendors.

I-Open plans to focus on ISDN as the primary telecommunication technology. ISDN is faster than standard analog service, widely available, and relatively inexpensive. The competing cable modem technology offers similar positives but one major negative. Cable modems operate on a "bus" topology as opposed to a point-to-point topology. This means that a certain number of devices reside on the same "wire", resulting in shared bandwidth and more importantly compromised security. As newer technologies become more reliable and available, the quality of content will increase beyond what is currently deployed on the Internet. ADSL and VDSL (Very high speed Digital Subscriber Line) promise to increase bandwidth capabilities to 8 Mbs and 52 Mbs respectively, while remaining cost effective by using overlay technology. Existing twisted pair copper wires are utilized while the switching equipment at the CO (Central Office) is replaced. With bandwidth as the bottleneck and VDSL technological advancements promised by the end of the year 2000, I-Open plans to position itself as the forerunner in delivering full motion, real-time video and sound over the Internet.

Requirements of a WAN distributed nationally include network management tools and agents. HP Openview, Tivoil NetView, and Microsoft System Management Server (SMS) each provide enterprise wide management and monitoring capabilities. These products are built upon the Simple Network Management Protocol (SNMP) and allow remote management and proactive monitoring of all network devices utilizing SNMP tools such as RMON II. This multi-level monitoring can be combined with paging software for notification, remote control software and remote power controllers. Additionally SMS distributes software for remote upgrades and installations, with the drawback of requiring a Windows NT Server at each location.

The security of the WAN relies upon the VPN implementation and firewall protection. The data transferred over a VPN is encrypted with the use of 40-bit or 128-bit private/public key encryption. The 128-bit key satisfies United States Federal Government C-2 security standards. With the traffic that flows over the Internet protected, I-Open will use firewall security to protect each location from Internet threats. The term firewall defines a broad range of devices. The simplest form of a firewall is a router configured for packet filtering. A router is a device that connects two, or more, networks, in this case I-Open's network and the Internet. By filtering, the router prohibits specified packets (packets are data "messages") from being transferred from one network to the other. Additional protection can be had in the form of a Proxy server. Proxy servers proxy Internet addresses from a private network to the Internet, in this way hiding the private network's internal addresses. They can also be configured for packet filtering or combined with a router that packet filters. For maximum protection, off the shelf products are offered that include; packet filtering, proxy services (also called Network Address Translation), inspection and application level packet filtering. It should be noted that as well as providing security from Internet threats, each of these devices allows for management of Internet access from the private network. For example, these devices could provide the feature of limiting the Web sites accessible to the I-Open kiosks. The kiosk management software available also provides this feature of blocking out Web sites. This allows for an increased range of possible solutions.

The existing implementation of full motion and sound multimedia focuses on local PC technology. The data required for these presentations can not be delivered in real-time without incurring exorbitant costs. Common methods of deliverance

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include CD-ROM and off-line network uploading. Kiosk manufacturers offer a wide range of products that will aide in the development of content, management of delivery and scheduling. Kiosks are available made to order from a multitude of vendors. Some manufacturers, including ATCOM, include software management packages. ATCOM's CyberShell is a product that manages the end-user interface by offering a customizable user interface; secure Web browsing; full e-mail support; gateway to commercial online systems (i.e. AOL, CompuServe); secure application launching; multiple language support; automatic network connection; multimedia applications; and advertising. CyberShell supports Windows 95 and Windows NT 4.0. CyberShell also provides data collection and blocking of Web sites. This product integrates with applications to enable/disable features within the application. Turnkey versions are offered as well as licensing to system integrators. Full motion video and sound multimedia can be developed and stored locally at each location. Remote management tools are included that allow for scheduling and delivery of content. The Kiosk Co. offers a family of products that allow for improved flexibility. Their Terra Vista product is a Public Access Browser that can be used for kiosk security and management and would be comparable to CyberShell. The Kiosk Co. also markets K/OS Professional Software Development Kit that offers a conglomeration of modules used to customize software and kiosk design. As The Kiosk Co. is a software developer, multimedia design and development is offered as well as full kiosk integration. Additional manufacturers of multimedia kiosk integrators include EMF Corporation, Golden Screens Interactive, Inmedia, and Lexitech Multimedia.

An array of displays is available from different manufacturers that range from High Definition Television receivers to large Presentation Monitors. These solutions provide the necessary resolution required for computerized graphics as well as screen dimensions of up to 49" measured diagonally. For the kiosk displays, each manufacturer mentioned above offers touch screen and/or keyboard/pointing device solutions. Due to the various solutions available for kiosk management, content, content delivery, and VB hardware, the integration of the kiosk and VB will depend largely on which solutions are chosen. Emulation software is available that can duplicate displays. Software (and/or hardware) is currently used to generate one logical display screen across multiple physical displays. Additionally, software could be developed that would customize integration to any degree.

***[Q] What is limiting in the current situation that makes improved or new technology desirable?***

Most if not all out-of-home advertising is static. Even in the dynamic realm of TV, ads must be planned well in advance. I-Open will provide a compelling new medium through which content and advertisements may be distributed real-time with site- and demographic-specific targeting, at cost-effective prices. For example, the I-Open network has the ability to feature site-specific ads and content delivered to coincide with specific flight arrivals and departures. For instance, at any one moment, at an airport terminal with a flight departing to Chicago, Windy City-related content and ads can be pumped to VBs and kiosks at that gate. Immediately after that flight departs, and Orlando-bound travelers await the next flight, Orlando-based content and ads can be delivered to the same VBs and kiosks. I-Open's technology will allow this type of site-specific targeting to occur network-wide, 24 hours a day. No other out-of-home advertising vehicle can deliver this level of frequency and targeting. No online advertising vehicle can deliver the mass reach of the out-of-home environment.

***[Q] What competing technologies now exist?***

Because the Company will be positioned as a distributor of advertising, competition does exist at specific levels. In one sense, all out-of-home advertising represents competition. In this medium, however, technological innovation has been fairly limited. It is precisely this lack of innovation that has led I-Open to seize upon VBs and the Internet as a watershed opportunity to bring dramatic change in the out-of-home advertising landscape. Some of the competitors in this space include AK/Media Airport, SkySites, CNNAirport, Food Court TV, and any of the large out-of-home players such as Eller, Outdoor Systems, and Whiteco Outdoor. On the kiosk and web-browsing front, there are a number of players providing Internet access and push technology. PointCast, for example, is a recognized leader enabling both the downloading and uploading of data from the Web. Companies that offer kiosk-based Internet services include Atcom/Info, King Products, USCommunication Services, Blueshift Geodesics, CyberFlyer Technologies, and Veicon Technology. Telecommunication companies that have invested money in kiosks include GTE, Pacific Bell, US West, BellSouth, Sprint, MCI, and Hughes Electronics. I-Open is not aware of any company who has successfully implemented the business model contemplated herein, with revenues derived primarily from advertisers. Most competing kiosk players are relying on a "pay-per-use" revenue model.

***What are the advantages of the proposed technology?***

Business innovations rather than technological innovations are the primary drivers of the I-Open business model. By aggregating the best practices of the Internet value chain, the Company can rely on the core competencies of proven vendors, while focusing on I-Open's value proposition - providing enhanced Internet and out-of-home advertising distribution. In other words, the technological requirements of the I-Open network are essentially a matter of identifying and aggregating the best solution providers for each component. I-Open will then assemble and deploy this bundle of best practices via the I-Open VBs, kiosks and resultant analytical data. Rather than trying to be a technological innovator, the Company will be a process innovator. The advantage of this approach to technology is that it allows the company to harvest the latest and best technology from the market rather than trying to cultivate it from within. Moreover, it focuses the Company's resources on aggressively pursuing its mission of securing customers and sites for this innovative new channel of advertising distribution.

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**B. PROPOSED PROGRAM OF WORK**

*Describe in detail the specific work to be carried out.*

*What methods will you use to solve the technical problem(s), and why? Supply preliminary data or test results that support your choice of methodology and the feasibility of the proposed project.*

*Specify clearly the role of each participating organization (company, subcontractors, or others), and where the work will be carried out.*

There are three phases to the project: prototype, pilot and commercial rollout. The project plan for the prototype begins by acquiring the necessary hardware in order to emulate the delivery and management of content and ads. Minimally, one IBM clone PC at the remote location running a versatile operating system would be configured with kiosk management software, web and "push" clients, VPN software, SNMP agents, dual monitor software/hardware and dual monitors. At the central location, a machine will be configured with compatible VPN software, Web and "push" servers, a proxy server, Relational DataBase Management System (RDBMS), and network management tools. The remote locations and the central location for the prototype will be one staging location with access to various WAN technologies (ISDN, analog, T1, etc...). With the platform installed, the delivery of ads and content will be integrated with multimedia presentations by testing kiosk management software customization and monitor integration. Using development products such as K/OS will provide additional customization. Sample ads and content will test this integration. An additional server will then be configured to run ad management software and track demographics in an industry standard database such as SQL. Next, a sample portal web site will be deployed on the Web server, followed by integration of the Web/proxy server and demographic database using APIs. Information will then be extracted from the databases and sample reports will be generated.

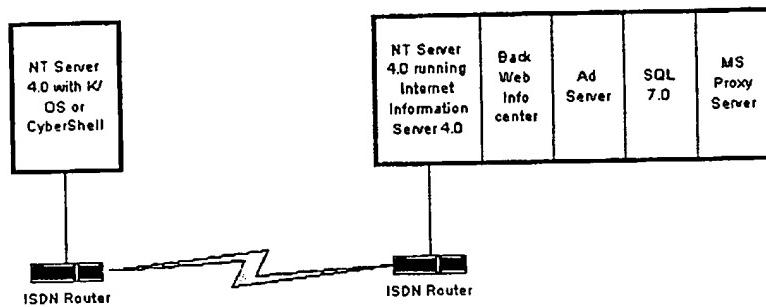
With a functional infrastructure in place, optimal performance models will be established through the use of baselines and condition variances. Vendor data and testing tools such as Microsoft InetMonitor, which is available free of charge as part of the Microsoft Commercial Internet System Resource Kit, will be used to simulate load and produce scale requirements. Bandwidth requirements and costs will be measured against method and scheduling of delivery for full motion video and sound multimedia. At this stage business partners will be identified and various products and customer content will be tested with the prototype model. Single points of failure will be identified and a fault tolerance scheme will be developed for the pilot and commercial phases. The resources required, both capital and technical, for the completion of the prototype phase will be provided by the principals of the I-Open project, namely Carney and Pina, and the information technology consulting firm K Consultants, Inc. [NEED BFTCS & OTHER \$]

I-Open, along with any partners or site managers of proposed sites will then examine the business logistics of the pilot phase. These include acquiring staging space, positioning, availability of power and telecommunication lines, and delivery of devices. Large display screens will be tested, along with kiosk hardware, for performance, durability, ergonomics, and aesthetics. Infrastructure changes may be required to the central management station, and will be determined by analysis of the data acquired in the prototype phase. These possibilities include increased bandwidth at the central location, isolation of services among servers and fault tolerance measures. At this stage network monitoring software will be re-evaluated to more closely fulfill requirements and address specific needs uncovered in the testing phase. Additional hardware will be acquired to support the increased project scale and modifications to the prototype platform will be required. Initial tests of all new hardware and software configurations will be performed. The remote location module will then be deployed to approximately five sites with the aid of imaging software to decrease setup costs. Performance will be monitored and baseline data collected to confirm the scaling model determined in the prototype and adjustments made as necessary in determining a scaling model for the commercial implementation.

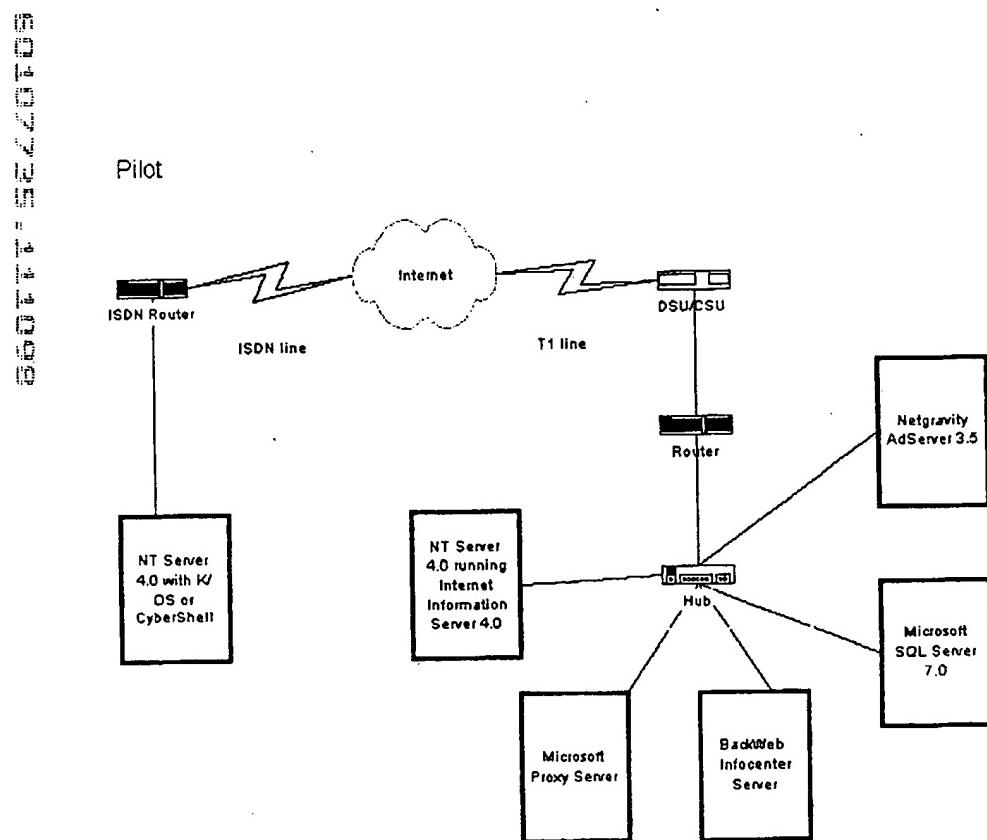
The scope of the prototype and pilot projects is to position I-Open at the point of commercial deployment. The commercial implementation will depend largely on the results of the pilot phase, which are dependent upon the results of the prototype. This geometric dependency inhibits the ability to identify the components that will comprise the final I-Open product. The methodologies used in phase progression will continue throughout the commercial implementation.

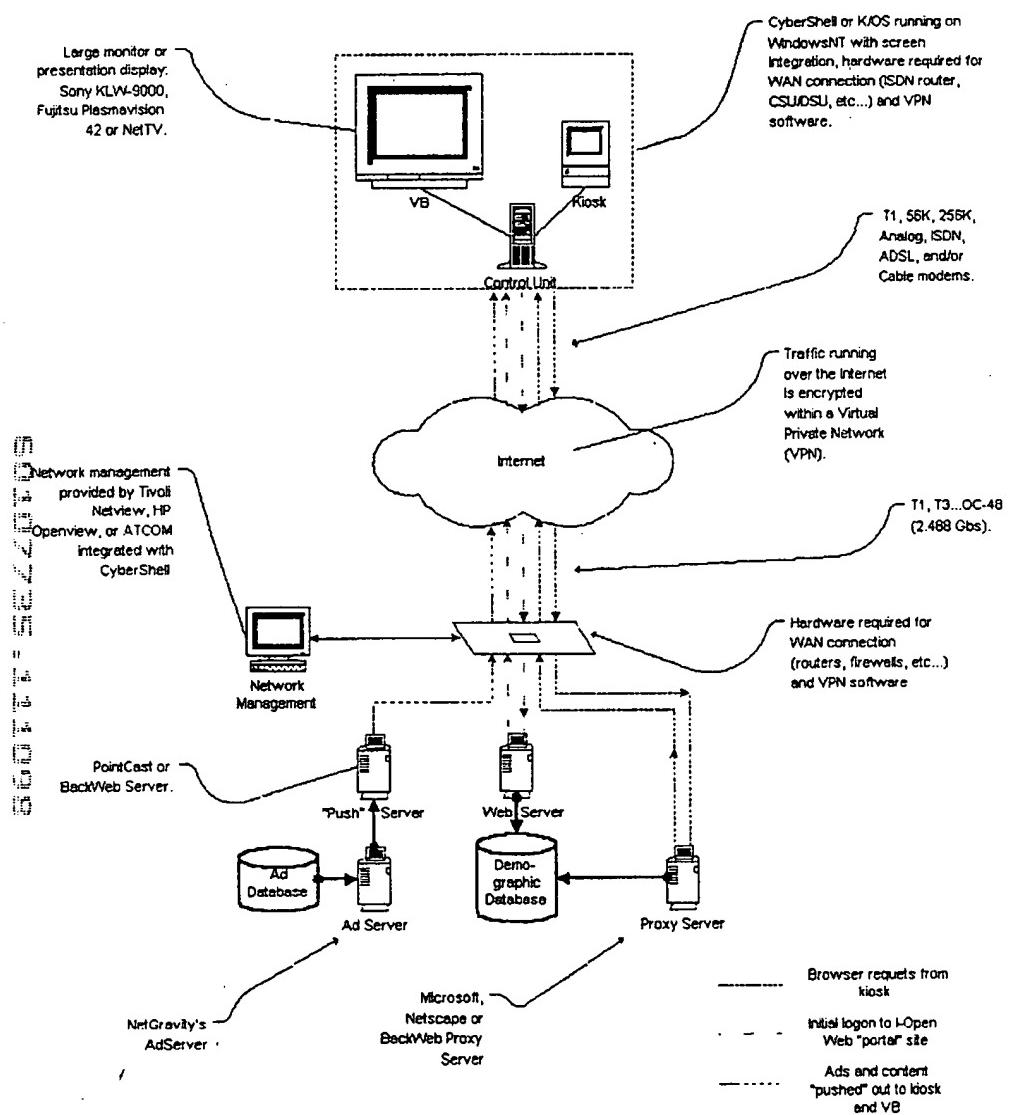
[REFER TO MSPROJECT PLAN; SCHEMATIC OF TECHNOLOGY]

## Prototype



## Pilot





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**C. RESOURCES**

*Describe the facilities and equipment available to the project at the company.*

*Describe the arrangements for providing any other required technical resources to the project.*

I-Open and K Consultants, Inc. have reached a preliminary agreement whereby K will provide technical resources, facilities and equipment during the prototype phase. Terms for this agreement will be at a market rate, with consideration being paid to K in the form of cash and equity. K will house the prototype and pilot phases of development.

**D. QUALIFICATIONS OF PERSONNEL**

*Please describe the roles and qualifications of the key personnel in the project and at the company. Summarize education and work experience. Please do not exceed two pages for this summary.*

*In addition to the summary pages, please attach resumes for each of the project principals as an appendix. Please do not exceed three pages per person.*

Key personnel managing the project and development of the prototype are as follows:

*I-Open personnel:*

**Role:** Upon funding, Mr. Carney will oversee the project on a full-time basis.

**Qualifications:** Patrick J. Carney is a highly motivated entrepreneur with an increasingly diverse skill base. Currently, he is a Vice President at Murray, Devine & Co., a Philadelphia-based boutique investment bank. Mr. Carney's duties include business development, managing client engagements, and performing valuation and financial advisory services. Prior to this, Patrick was a co-founder of a women's sportswear manufacturing/wholesaling business with three nationally distributed brands and annual revenues exceeding \$5 million. As Director of Operations he shared bottom line responsibility for the entire enterprise with activities including sales management, purchasing, marketing, retail, financial and strategic and information technology planning. Patrick will receive his MBA from the Wharton School in May 1999 and holds his undergraduate degree in Economics from Swarthmore College.

**Role:** As a co-founder of I-Open, Mr. Pina will continue to provide general strategic and operational input to the project on a part-time basis. In addition, Joel will oversee the development of the financial control system, and legal and tax requirements of the enterprise.

**Qualifications:** Joel B. Pina is an achievement oriented individual with well-developed financial, tax, analytical and interpersonal skills. Currently, he is Manager, Worldwide Tax Reporting, Planning and Systems at ARCO Chemical Company. He has a demonstrated track record of building organizations and managing projects during eight years of tax and audit experience in a diversified Big Six practice, and four years of varied financial and management experience in a Fortune 500 company. Joel is able to interact effectively with staff and customers at all levels of management and to provide distinguished performance. He holds a CPA, and has a Masters of Science in Taxation from Villanova University. He graduated Magna Cum Laude in Business Management / Accounting from Boston College. Joel will receive his MBA from the Wharton School in May 1999.

**Role:** Mr. Wadhwa will continue to provide technical oversight to the project on a part-time basis.

**Qualifications:** Vivek Wadhwa has 10 years experience in the software industry. He has held numerous software development, project management and business development positions at startups and established firms. Mr. Wadhwa's software development experience includes design of a retail banking system, a distribution and inventory management system and an Internet based bills presentation system. As a founder and Director of International Business Development at Seer Technologies, Mr. Wadhwa led Seer's expansion into Scandinavia and Latin America and was instrumental in Seer's revenue growth from \$0 to \$100 million in 5 years. He currently manages systems integration projects and business development activities at MCI Systemhouse. Mr. Wadhwa will receive his MBA from the Wharton School in May 1999 and has his undergraduate degree in Electrical Engineering from Indian Institute of Technology, New Delhi.

*K Consultants, Inc. personnel:*

**Role:** Mr. Boyle will continue to provide senior strategic technical input and direct the allocation of K Consultants' resources to the I-Open project.

**Qualifications:** Jim Boyle, President of K Consultants, Inc. ("K"), has more than 10 years of industry experience in executive management, leadership, project management, strategic planning, systems development, and network infrastructure planning and deployment. Mr. Boyle founded K in 1994 and has led the company through tremendous growth (100% annually) with unusually low turnover (<10% annually). K currently has over 30 consultants providing full technology solutions to clients including General Electric, PNC Bank, Children's Hospital and Modern Equipment. His previous employers include Integrated Systems Consulting Group, Pepper Hamilton, Saint Joseph's University, and the Federal Government. Mr. Boyle performed his undergraduate studies at the College of the Holy Cross and Saint Joseph's University, where he received a degree in Economics. In addition, he holds a Master's of Science in Computer Science from Saint Joseph's University.

I-Open

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**Role:** Mr. Donahue has performed the bulk of the research and development of the I-Open architecture to date. Upon funding, he will continue to serve as the lead technological developer, and liaison to the diverse technical resources at K Consultants, Inc.

**Qualifications:**

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### III. COMMERCIALIZATION ASPECTS OF THE PROJECT

#### A. MARKET ANALYSIS

##### *Identify the size and characteristics of the market*

The fundamental dynamic in the rapidly emerging marketplace of Internet advertising and publishing is a commitment to customer acquisition. The Internet investment community has accepted the model of sacrificing near-term profits in order to build brand awareness. Both new "cyber brands" (e.g. E\*Trade; Amazon.com) and conventional brands (e.g. Gap; Barnes & Noble) are committing increasingly significant dollars to achieve primacy on the web. This race for leadership is premised upon two primary anticipated benefits: 1) the near-term ad revenue benefits of acquiring a loyal following of customers, and 2) perhaps a much more significant opportunity unique to this emerging medium -- the opportunity to collect, analyze and sell meaningful behavioral patterns of this loyal customer base.

I-Open's business model of dynamic multimedia VBs and free access kiosks (which capture valuable demographic data and surf trends), is extremely well positioned to offer significant value to any brand fighting for leadership in this new market. I-Open offers a unique model by which marketers can: 1) Leverage the sunk costs of already developed ad/web content; 2) Improve their ROI on ad spending; 3) Dramatically extend their advertising reach; 4) Close the customer acquisition gap; and 5) Build meaningful databases; all in the relevant band of the Internet.

The dynamics of the out-of-home medium are evolving at a significantly less rapid pace than that of the Internet medium. Recent innovations which have emerged in the out-of-home advertising space include dynamic dioramas (e.g. scrolling advertisements at a sporting event), CNN Airport News, [and apparent billboards being projected via TV at Yankee Stadium.] The power of the Internet to deliver site- and demographic-specific content real time at low costs represents a watershed opportunity to effect permanent change in the out-of-home medium. I-Open's Virtual Billboards present a unique synergy between the power and efficiency of the Internet with the extensive reach of the out-of-home space. The significant value proposition of the VB network is enhanced by adjacent kiosks, which may provide immediate conversion of out-of-home impressions (VBs) into acquired customers (kiosk transactions).

[The interactivity, accountability, targeting potential, increasing bandwidth and improving creative are making online advertising an increasingly compelling proposition for advertisers. The growing number of online users and the ensuing attempts of marketers to reach these consumers is driving growth of the medium. Outside of the online medium, there are significant current advertising efforts attempting to drive non-Internet users to first become users and then to visit specific websites. Although online advertising is still in its infancy, it holds tremendous potential as the most promising advertising and direct marketing medium in history. Distinctive features of the Web experience for consumers (and benefits to advertisers) include the following:

- ⇒ Perpetually fresh content - Unlike another interactive medium, the CD-ROM, whose content is fixed at the time of manufacture, Web sites (and Ads) can be refreshed continuously.
- ⇒ Access to information - Vast databases and increasingly sophisticated search engines make unimagined resources available to Internet users.
- ⇒ The visual and aural appeal of television - As transmission bandwidth expands, sound, pictures, animation and live interaction will be transmitted across the Internet.
- ⇒ Hyper-impulsivity - the Web permits a closer conjunction of desire, transaction and payment than any other environment.

*Adapted from Volpe, Welty & Company.<sup>3</sup>*

As a widely accepted medium, the World Wide Web itself is immature, but it is ramping faster than any other medium in history, hitting the 50 million user threshold in just 5 years (roughly 2x faster than cable, and 3x faster than TV).<sup>4</sup> Because of this recent adoption and rapid growth, online advertising revenues have just begun to develop, with figures of \$60 million in 1995, \$314 million in 1996, and projected growth to \$9,006 million in 2002.<sup>5</sup>

Despite its mature and static nature, and lack of innovation in the medium, the out-of-home advertising market is clearly significant. Largely because of the medium's low cost, broad reach and image-building features offered to advertisers, out-of-home ad revenues were over \$4 billion in the United States in 1996.<sup>6</sup>

The Company anticipates filling a compelling void in the space between conventional out-of-home advertising and the exploding arena of online advertising. Through the virtual billboards and free access kiosks, I-Open's objective is to dramatically extend the targeting and value of the out-of-home medium while enhancing the reach and value of online advertising efforts. As indicated in the attached financials, by the end of the five-year projection period, the Company plans to have installed 800 sites (3VBs, 1 kiosk per site) generating gross revenues in excess of [\$40 million], and net income of roughly [\$15.6 million].

*Identify market segments or customer profiles.  
Target Customers:*

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I-Open

Because the I-Open kiosks and V.L... will be broadcast (or "pushed") to the masses, ...e Company's model offers marketers a significant new opportunity to leverage the reach of their already developed Internet advertising content to a much wider audience than their original "pull" efforts have allowed. Moreover, the I-Open network will deliver these efforts in the relevant band of the Web, reinforcing the dynamic potential of the most promising and interactive medium in history. Marketers have just begun the migration to the Internet recognizing that the interactivity, accountability, and targeting potential of web advertising offers unprecedented opportunities for advertisers to compress the customer acquisition gap and efficiently reach customers. The I-Open network will allow these marketers to pursue a much larger population of eyeballs at costs just marginally above their already sunk costs of online campaigns.

Because the Company's goal is to enhance Internet and out-of-home advertising distribution, the primary initial strategy with respect to customers will be to focus on those marketers who have the most at stake in the online advertising game. At this early stage in the development of online marketing, the following players have been identified as among the most aggressive marketers in this arena:

<u>Rank</u>	<u>Site</u>	<u>Ad Spending (\$millions) through Nov., 1996</u>
1	Microsoft	\$10.7
2	AT&T	6.7
3	Excite	5.9
4	Netscape	5.3
5	IBM	4.9
6	Infoseek	4.6
7	Nynex	3.6
8	Yahoo	3.5
9	Lycos	3.5
10	C/Net	2.6

*Source: Harvard Business School, "Note on Marketing and the World Wide Web", April 7, 1997*

More recent data ranks the following industries according to heaviest spenders online:

	<u>Industry</u>	<u>1997 (USS\$ millions)</u>	<u>1996</u>	<u>% Increase</u>
1.	Computers/software	\$275.3	\$122.0	125
2.	Financial	42.0	10.9	286
3.	Telecom	32.6	19.3	69
4.	Media/Advertising	29.7	11.1	168
5.	Automotive	24.4	9.4	160
6.	Direct Response	20.8	8.1	157
7.	Local Guides	18.5	5.0	267
8.	Retail	16.3	4.2	290
9.	Travel	11.6	4.1	181
10.	General Services	9.2	2.9	222

*Source: InterMedia Advertising Solutions InterWatch report - WIRED Magazine, October 1998*

While also targeting proven out-of-home marketers, other traditional marketers who have been early adopters of the benefits of Web advertising would be further primary targets for the I-Open network. Some of these players include:

Early Adopters: American Express; Sega; Fidelity; Sprint; American Airlines

Second Wave: Levi's; Gillette; Nike; Budweiser; Jolt; M&M's; Pepsi

*Source: Adapted from Forrester Research, "Brands on the Web"*

In addition to these prospective national advertising customers, I-Open will aggressively pursue the local markets. In its 1996 "Online Advertising Report", Jupiter Communications predicted that as much as 50% of all online advertising revenue will come from local advertisers. For example, local advertisers running newspaper ads will gradually shift to the value of the Internet when faced with the comparatively high costs of ink, paper and the fixed content of print and out-of-home ads.

While these types of candidates are just a cursory list, they provide a representative glimpse of the type of primary candidates I-Open will target as customers standing to benefit significantly from out-of-home, web-enhanced advertising distribution. Many of the above marketers are fighting for primacy in this new medium. Those who have already achieved a first mover advantage within their respective realms are well positioned to be the dominant market players if they are able to sustain their advantage (e.g. Amazon.com; ESPN SportsZone; Yahoo!, CDNow). Those who follow will have to exert considerably more effort to unseat the dominant players, build brands and gain market share. All of these players are

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looking for meaningful ways to secure their position in this emerging marketplace. As such, both first-movers and second-comers are ideal candidates for the I-Open initial target customer list.

**Consumers:**

The I-Open model of dynamic multimedia VBs and "free" Internet-access kiosks is uniquely positioned relative to the competitive landscape. The I-Open VBs are clearly set apart from static billboards and even "dynamic dioramas" (scrolling, fixed content billboards). The high impact multimedia nature of the VBs will create more meaningful impressions on consumers, and because of the VBs proximity and potential real-time link to I-Open kiosks there will be increased probability of an engaged transaction immediately following the VB impression. Because the revenue models for most other kiosks are on a pay-per-use basis, I-Open kiosks will have a unique attraction to consumers - akin to free telephone service. In exchange for this free service consumers will tolerate the required entry of limited demographic data and the intrusion of advertising into their surfing for web content (note: certain sites such as the New York Times Crossword Puzzle website have proven the validity of requiring limited demographics in exchange for access privileges). I-Open will then match these demographic profiles with surfing behavior, and have a critical value driver in terms of kiosk analytics and revenues.

It is estimated that 19% of U.S. households had Internet access in 1997, and this is projected to grow to only 31% by 2001.<sup>7</sup> This leaves a significant percentage of the U.S. population without access to the Internet or exposure to Internet advertising. I-Open's strategy with respect to consumers is to remove the Internet barriers currently facing the mass market - cost, access to technology, and techno-phobia - by delivering ubiquitous, high quality, user-friendly vehicles by which all consumers may readily participate in the Internet value chain. There has been some contention that these non-users of the Internet are not adequately affluent and attractive to advertisers. One need look only as far as the mass market advertising efforts of Coke, McDonald's or Nike to validate the extent to which such marketers will spend to reach very broad audiences.

**④ Identify competition for each market segment.**

The Company perceives two potential types of competition -- 1) Major telecommunications companies such as AT&T, MCI, and GTE placing "cyberbooth" kiosks in public places; and 2) Large out-of-home advertising companies migrating away from static billboards and dioramas towards more dynamic modes of display. Fortunately, I-Open's business model is different from the revenue models of each of these types of competitors, and as such should provide a window of opportunity before these players perceive I-Open as a threat to market share. Major telecom companies are presently deploying Internet kiosks, or "cyberbooths" targeted at transactions and positioned as the phone booths of the 21st century. The revenue model for these devices is consistent with these companies' proven pay-per-use pay phone model. Notably, government anti-trust regulation also presents significant obstacles precluding telecom companies from placing advertisements on their products. On the other competitive front, out-of-home advertisers have yet to demonstrate a move away from either their proven and entrenched revenue model or the required core competency and investment in technology to allow such a leap to Internet-driven advertising.

**⑤ Describe product and strategic differentiation from the competition.**

Through its network of VBs and free kiosks, the Company will leverage the strengths of online technology and extend the distribution of already developed online ad content. The Company will position itself as a critical vehicle by which the Internet value chain may reach and engage the mass market, and address communities of both the "haves" and "have nots" of Internet access. Through relationships and alliances with leading hardware, software, and content providers, I-Open will capture the best practices of the Internet in its VBs and kiosks and focus on its core purpose -- *enhancing the frequency, distribution, and impact of out-of-home advertising*. By securing site contracts for these VBs and kiosks in high-traffic public spaces, the Company will provide a new, relevant and dynamic link between web marketers and the consuming public.

The VBs, either linked to, or independent of the kiosks, offer dramatic real time targeting, efficiency and dynamic improvements over conventional static out-of-home advertising, and as such offer premium revenue opportunities. Because the kiosks are "free", and in proximity to an I-Open VB, they offer a more inviting profile for passers-by to become actively engaged in a value-added transaction, increasing the probability and expected value of advertiser benefit. Through the employment of market-ready technology, I-Open will accumulate and analyze this data to provide, for a fee, value-added analytical feedback to Web advertisers.

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**B. MARKETING, SALES, DISTRIBUTION AND CUSTOMER SERVICE**

*Describe the strategy for product positioning, pricing and promotion*

*Positioning - Strategic Alliances:*

The Company's goal is to aggressively pursue strategic alliances with key technology providers in order to bundle and deploy the best practices of the Internet value chain. Recognizing the rapid pace of change and vast array of technological expertise required to be a leader in the evolving Internet space, I-Open's strategy is to assemble alliances with industry leaders in the areas of hardware, software, communications, and content. This strategic alliance thrust is designed to optimize the Company's value proposition by efficiently identifying and developing the best available technology and accelerating the speed to market.

Essentially all the required technology to effect the I-Open business model already exists in the marketplace and continues to rapidly evolve. I-Open holds no pretense as a creator of any of these technologies. Rather, I-Open is positioned as an aggregator of these best practices, and more important, by virtue of its alliances, as a credible full-solution provider of enhanced Internet and out-of-home advertising distribution. [INSERT BENEFIT OF PATENT POSITION HERE]

By partnering with major players in the Internet value chain and achieving rapid scale and ubiquity, I-Open can dramatically enhance its value proposition to customers as well as suppliers. Customers will receive the clear benefit of advertising distribution across a broad and credible network, validated by the strength of the partners in the I-Open alliance. Suppliers, especially I-Open alliance members, will receive similar benefits to I-Open customers in terms of enhanced distribution of their products, services, and brand equity all in the relevant band of the Internet.

For example, if AT&T were the communications partner of the Company, I-Open, could offer AT&T "free" advertising space and time on its network, enhancing AT&T's brand in the meaningful medium of the Internet, and offering a real-time opportunity for AT&T to convert VB and kiosk impressions into consumer purchases of AT&T products. Moreover, a ubiquitous I-Open network would provide a valuable medium by which AT&T may dramatically extend the distribution of its already sunk costs of content and advertising development.

This aggressive strategic alliance strategy is critical in light of the blistering pace of change in the Internet space. Moreover, the strategy is consistent with the current trend among high tech VC firms where aggressive roll-up and brand-building strategies tend to dominate. (REFER TO RED HERRING ARTICLE)

*" Positioning - Site Acquisition:*

One of the most critical sets of business partners will be the site vendors – the owners and lessors of the valuable real estate from which the Company will capture and deliver eyeballs. The Company's strategy and ultimate success with respect to site vendors is at least as critical as the development of a robust supply chain of hardware, software and service providers. The primary objective here is to aggressively negotiate site contracts in an attempt to secure a first-mover advantage, thereby constructing potential barriers to competitors from the most cherished high traffic public areas. While it is acknowledged that Internet kiosks are currently being deployed at many of I-Open's target sites none of these kiosks are "free", and to date the Company is not aware of any virtual billboards currently in the market. As such, I-Open's strategy is to pursue exclusive contracts for both VBs and "free" kiosks in the most desirable sites possible. The Company's strategy of alliances with large, dominant solution providers is in harmony with its site acquisition strategy. I-Open intends to leverage the access, credibility, and in some cases long-standing relationships, of leading prospective allies, such as AT&T with site owners, such as DeBartolo and the New York Port Authority. In addition, the Company plans to pursue a revenue-sharing model such as that validated in the pay phone sector with the most desirable site owners, thereby creating buy-in incentives for site owners and a potential competitive barrier.

Examples of desirable sites include airports, shopping malls, stadiums, highway rest stops and any public spaces with high volumes of human traffic. The company's site selection, acquisition and ultimate ad sales strategy will be driven by the demographics of a given site, and the relative value assigned to such traffic by a given set of advertisers. For example, the profile of a VB or kiosk placed near a departure gate at JFK Airport will have markedly different demographic, cost and revenue characteristics than similar vehicles placed at the Atlantic City bus terminal, or at the King of Prussia Mall. One of the benefits of the medium, however, is that the network can selectively distribute advertisements and content, real-time according to the appropriate demographics of any given site.

With respect to site acquisition and as part of the strategic alliance thrust, the Company will pursue relationships with existing out-of-home players such as SkySites and/or AK/Media Airport. Leveraging its prospective proprietary technology position, I-Open may be able to achieve dramatic speed to market, distribution and credibility by aligning its interests with proven out-of-home providers.

*Pricing:*

The current landscape of Internet advertising has been likened to the "Wild West" where firm pricing metrics have been slow to evolve in such a rapidly changing environment. Current pricing models include "CPM's" - cost per thousand

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viewers; transaction-based pricing, such as \$-per-clickthrough and commissions per retail transaction. Consistent with other sellers of Internet advertising, I-Open will embrace each of the above methods. In addition, I-Open will capture and analyze surfing and demographic trends and sell this information to advertisers. The Company's pricing and revenue assumptions are exhibited in detail in the attached financial statements.

***Promotion:***

At this stage, the Company is focused exclusively on developing and aggregating the technology for proof of concept, and beta testing the value proposition. In the longer-run, as indicated in the financials, the Company is budgeted to hire a marketing manager, a PR firm, and to advertise the I-Open network to the trade.

***Describe the sales strategy.***

I-Open's customers are advertising agencies and Internet publishers. In the long run the Company will employ its own internal sales staff to service these accounts and to fill the I-Open network with advertising and content. Until the Company achieves critical mass (e.g. >100 kiosks and VBs installed) and is able to demonstrate consistent delivery of eyeballs, certain strategic considerations are required to get early marketers to commit to the I-Open network. Among these tactics are: 1) Progress along learning / credibility curve with key initial players, offering a tiered-pricing model to reflect the changing value curve as I-Open approaches critical mass; 2) Lock in a few early high-profile customers into medium/long-term contracts with favorable up-front pricing to secure a revenue base and credible following (for example, during beta tests, the Company could give away free advertising on VBs to Coke, and free content / advertising on kiosks to Microsoft Network); 3) Heavily promote the value of VBs as a new out-of-home medium with all the accountability and targeting benefits of the Web; 4) Achieve scale quickly to legitimize CPM objectives, and to create analytics revenue stream; 5) Run time-sensitive, direct marketing-type promotions to drive traffic and validate the medium (e.g. a direct marketing tie-in with the website for "1-800-FLOWERS" prior to Valentine's Day); 6) Hire a PR firm to generate news coverage, public interest, I-Open brand awareness, & drive traffic; and 7) Offer free analytics to early advertising customers.

***Discuss distribution channels and how they are supported.***

I-Open is a distributor of advertising. Premium public sites and the Internet represent the channel by which I-Open distributes this advertising. The technical aspects of how content and advertisements are pushed across the I-Open network are discussed under "Production" in Section E.

***Discuss service after the sale.***

The Company will serve its customers after the sale by providing them with robust analytics and nearly real-time data demonstrating the results of their advertising efforts. Significant efforts will be made to clearly portray the distinctive value of the I-Open network's ad distribution package. I-Open's database on customer profiles, surfing habits and demographics by region will be data-mined in order to optimize the targeting, timing and reach of client advertising investments. Quantitative and qualitative proof of higher ROI on ad dollars will be furnished to customers on a regular basis. As mentioned in Section II of this application, this required technology exists in the market, and has been designed into the I-Open architecture.

***C. PROTECTION AND TIMING OF PROPRIETARY RIGHTS***

*If proprietary technology results from the project, will the Company own the discovery?*

*Does the Company have the right to utilize technology in which others may have an interest? Explain, if applicable.*

*Are there existing Intellectual Property ("IP") issues that must be considered?*

*What IP protection is available to the Company and what is the timing of the application process?*

*If technology is not proprietary, what barriers to entry exist for potential competitors?*

The Company is in the process of applying for patent protection on the I-Open business model. On {INSERT DATE}, a provisional patent application was applied for by the law firm of Needle & Rosenberg (SEE APPENDIX). In addition to the patent application, the Company is in the process of applying for the following trademarks: {"iOpen; I-Open; Virtual Billboards; "VBs";...}. Also, the Company has registered the I-Open.com domain name. All of this IP protection has been applied for in the Company's name.

In realms where IP protection is not available or relevant, the Company still believes it has an opportunity to secure sustainable competitive advantage. For example, I-Open's strategy of securing premium sites, powerful strategic alliances and achieving rapid scale and ubiquity could provide invaluable barriers to competition. A specific example of such a powerful barrier could arise through an I-Open relationship with a proprietary database provider such as SABRE® or major airports. In such a case, I-Open would link into the airport's database and integrate the delivery of ads and content to precisely coincide with flight arrivals and departures at specific airports, gates and baggage carousels nationwide.

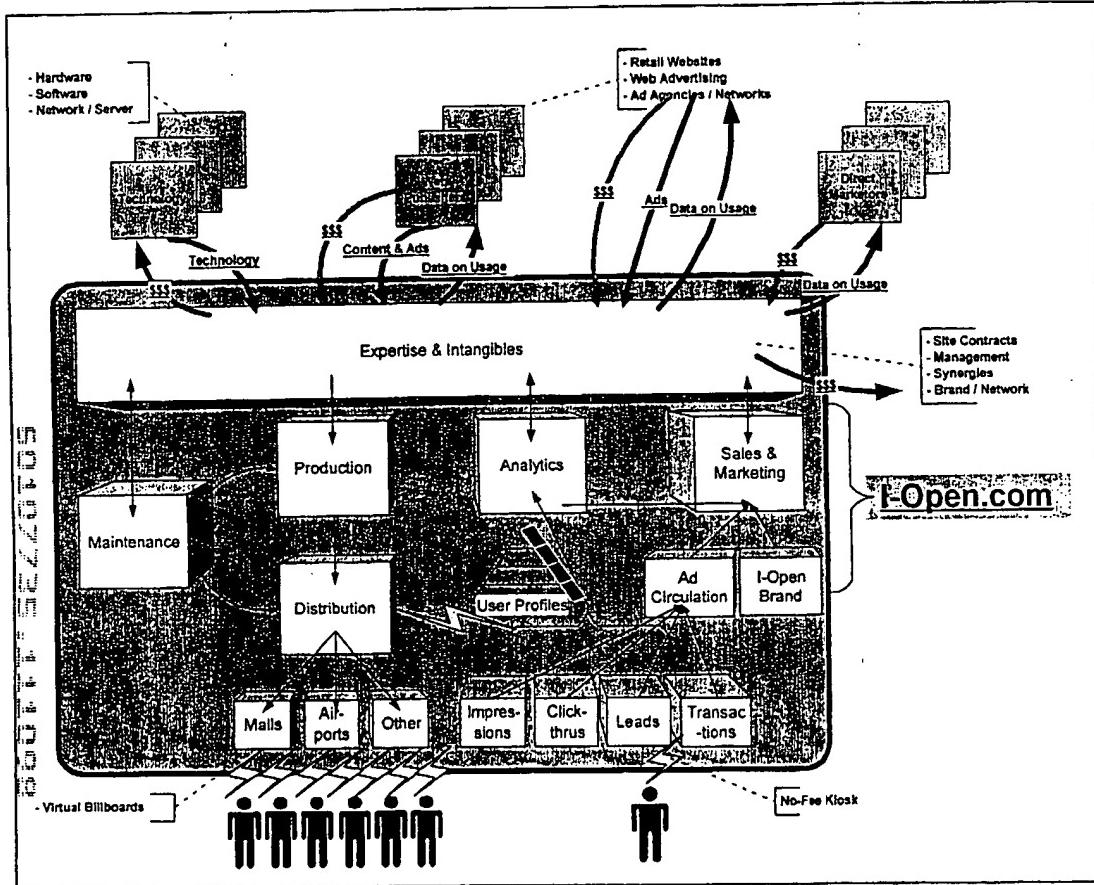
***D. REGULATORY, CLINICAL OR OTHER APPROVALS - not applicable.******E. PRODUCTION***

*Describe the production method the company plans to use (short and long term approaches).*

*If licensing-out the manufacture is contemplated, indicate the rationale and identify the licensee.*

Describe quality control mechanisms.

{INSERT JOEL'S DIAGRAMS OF BUSINESS MODEL - TIE-IN WITH JOE'S SCHEMATIC? DEVELOP SHORT NARRATIVE}



Building and maintaining a network to produce and distribute branded content via the Internet to Virtual Billboards and no-fee kiosks is at the core of I-Open's mission. The key to the strength and development of the I-Open brand will be the company's ability to execute since changing the paradigm to lever the Internet advertising value chain is an opportunity with a short shelf-life. Speed to market is critical since preferred sites are subject to competition from other vendors, including fee-based Internet kiosks. Securing relationships with the top Internet publishers and advertisers is critical if the predictions that "only the strong will survive" are correct.

Through aggressive sales, the acquisition of premier sites, ubiquitous placement, and strategic alliances with industry leaders, I-Open will strive to build a brand analogous with public, no-fee Internet access, and a dynamic new medium known as Virtual Billboards.

**F. MANAGEMENT***Describe the management team that is currently in place at the company.*

With over 24 years of industry and professional management experience between them, each of the two founders brings a set of diverse and complementary skills to the enterprise. Vivek Wadhwa has recently joined the I-Open team and offers valuable and relevant experience from ten years in VC-backed high tech companies environment.

Patrick J. Carney is a highly motivated entrepreneur with an increasingly diverse skill base. Currently, he is a Vice President at Murray, Devine & Co., a Philadelphia-based boutique investment bank. Mr. Carney's duties include business development, managing client engagements, and performing valuation and financial advisory services. Prior to this, Patrick was a co-founder of a women's sportswear manufacturing/wholesaling business with three nationally distributed brands and annual revenues exceeding \$5 million. As Director of Operations he shared bottom line responsibility for the entire enterprise with activities including sales management, purchasing, marketing, retail, financial strategic and information technology planning. Patrick will receive his MBA from the Wharton School in May 1999 and holds his undergraduate degree in Economics from Swarthmore College.

Joel B. Pina is an achievement oriented individual with well-developed financial, tax, analytical and interpersonal skills. Currently, he is Manager, Worldwide Tax Reporting, Planning and Systems at ARCO Chemical Company. He has a demonstrated track record of building organizations and managing projects during eight years of tax and audit experience at Price Waterhouse, and four years of varied financial and management experience in a Fortune 500 company. Joel is able to interact effectively with staff and customers at all levels of management and to provide distinguished performance. He holds a CPA, and has a Masters of Science in Taxation from Villanova University. He graduated Magna Cum Laude in Business Management / Accounting from Boston College. Joel will receive his MBA from the Wharton School in May 1999.

Vivek Wadhwa has 10 years experience in the software industry. He has held numerous software development, project management and business development positions at startups and established firms. Mr. Wadhwa's software development experience includes design of a retail banking system, a distribution and inventory management system and an Internet based bills presentation system. As a founder and Director of International Business Development at Seer Technologies, Mr. Wadhwa led Seer's expansion into Scandinavia and Latin America that was instrumental in Seer's revenue growth from \$0 to \$100 million in 5 years. He currently manages systems integration projects and business development activities at MCI Systemhouse. Mr. Wadhwa will receive his MBA from the Wharton School in May 1999 and has his undergraduate degree in Electrical Engineering from Indian Institute of Technology, New Delhi.

In addition to the I-Open management team now in place, the Company will work very closely with K Consultants, Inc. for the continued development of the technological architecture. K's president, Jim Boyle and consultant, Joe Donahue will be the leaders of K's efforts, with additional diverse resources at K drawn on as needed (Boyle and Donahue biographies and resumes included with Section II above). K is presently a shareholder in I-Open. This relationship was developed between I-Open and K, in exchange for K's significant contribution in designing the technical architecture of the I-Open network.

With the backgrounds of the above team, the Company is well positioned with respect to key areas of finance, operations, technology and business development. In the early stages, the Company plans to augment any deficiencies in management through its advisory board. As the Company progresses in its development, key personnel will be added as warranted in critical areas such as site acquisition, advertising sales, production, marketing, and financial controls. These requirements are addressed in the attached financial projections and timeline.

*Describe financial control systems and individuals responsible*

{The Company is in the process of organizing as a Delaware LLC. Upon organization, the company will establish a checking account and the appropriate books and records required to budget, authorize and monitor expenditures. Joel Pina will implement and oversee this part of the enterprise.}

**G. OUTSIDE ADVISORS**

*Identify outside consultants or advisors who currently provide assistance to the Company including experts in accounting, law, capital formation, technology, or marketing. Indicate how advisors are compensated (e.g. pro bono).*  
The following individuals have agreed to serve on I-Open's advisory board. At this stage, each advisor has agreed to offer their services pro bono. This group has provided and will continue to provide critical input and diverse skill sets relevant to the I-Open business model.

John Haegele is the Director of Sports Marketing and Development at Broadcast.com. Broadcast.com is the leading aggregator and broadcaster of streaming media programming on the Web. This Web site hosts the game broadcasts and other programming of over 350 college and professional sports teams. John's primary responsibilities include managing the content acquisition, product development and marketing, and strategic alliances for the sports channel. Prior to joining broadcast.com, Mr. Haegele was the Director of Business Planning and Development at NFL Enterprises. He managed the advertising and programming functions for the launch of the NFL's satellite-TV subscription service, NFL SUNDAY

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TICKET, in 1994. John later helped the NFL become the first major, professional sports league on the Internet with the launch of NFL.com. He focused on the business and product development aspects of the operation, including the creation of live game statistical and multimedia programming. John also managed the programming and strategic partnerships for special event sites for the NFL Draft and Super Bowl. Mr. Haegle has a broad background in marketing and business development. He holds a B.A. in economics and computer science from Swarthmore College. Mr. Haegle is also a 1995 graduate of the Kellogg Graduate School of Management with an MBA in marketing, finance and international management.

Dr. Terrance LaPier is President and CEO of Pierpont Group, an international consultancy and merchant bank. He was previously a Senior Managing Director of a Bechtel affiliate focusing on international strategic planning, business development and corporate venturing. He has extensive experience in advising companies on matters involving corporate strategy, organizational design, process improvement, and design and implementation strategies for "winning" large projects. He has also consulted with the U.S. government and many foreign governments. Prior to Bechtel, LaPier was Managing Director of West Group/Colony Partnerships, a merchant banking and real estate investment concern. LaPier was also a Senior Vice President of First Union Corporation. He has been highly involved in over 50 joint ventures, alliances and corporate start-ups over the last 20 years. LaPier has a Ph.D. in International Economic Comparison from the London School of Economics.

Robert Borghese is an attorney in private practice in Philadelphia. His practice focuses on representing start-up and emerging growth companies in the formation of business entities, contract negotiations, mergers and acquisitions, financing, regulatory compliance, and corporate, partnership and tax law. Bob holds degrees from Penn Law School, Wharton Finance, and a B.A. degree from Penn. In addition, he has an M.A. in Financial Economics from King's College, Cambridge University, England. Mr. Borghese is a faculty member at Wharton as a Lecturer in Entrepreneurial Management and Legal Studies. He teaches courses on contract law, employment law, and the legal aspects of entrepreneurship. Mr. Borghese is a member of the investment committee of the Wharton Venture Fund.

Stephen Dalla Betta is Director of Business Development for Nokia Mobile Phones in the Americas Region. He is responsible for leading Nokia's efforts in developing new wireless terminal businesses. Previously, Mr. Dalla Betta was a member of MCI's Global Strategy & Development team, where he was involved in planning and implementing the operator's international business development activities. Before joining MCI, Mr. Dalla Betta was a telecommunications consultant. Mr. Dalla Betta graduated with honors from Georgetown University and expects to receive an MBA in General Management from the Wharton School in May 1999.

William R. Wagner - With 10 years experience in the communications industry, Mr. Wagner has held numerous sales, sales management, business and consumer marketing and strategic planning positions at AT&T. His experience also includes extensive "site acquisition" experience during his five years in AT&T's public pay phone business. During his time in that highly competitive industry, Mr. Wagner personally negotiated and oversaw the implementation of numerous contracts, including the largest contract ever awarded for public payphones to date, an 80 million-dollar sale to the Port Authority of New York and New Jersey. In his subsequent marketing positions Mr. Wagner directed AT&T's efforts in the burgeoning private payphone industry, designed and implemented numerous consumer marketing programs and was heavily involved in the development of AT&T's Brand and Retail strategies. Mr. Wagner will receive his MBA from the Wharton School of Business in May 1999 and has his undergraduate degree from Lafayette College.

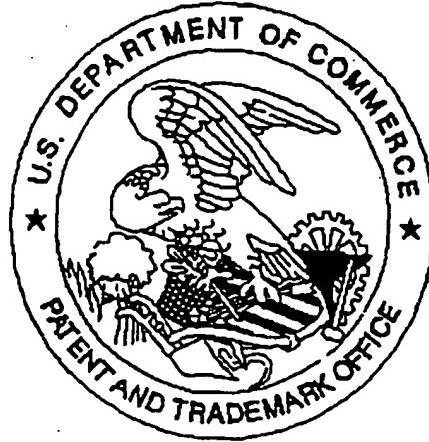
Corey Perine, Vice President of Marketing, HealthStream Inc. Corey is VP of Marketing for an early growth stage computer- and web-based education company focused on the healthcare industry. He joined HealthStream after spending eight years at Williams & Wilkins where he managed a division of the company that developed computer-based medical education products. He managed the growth and development of the division and provided the strategic vision for the product line. In addition to expanding the staff from three to thirteen, he led the migration of the system from a Macintosh only, stand-alone product to a Windows compatible, network accessible application. Corey brings a keen understanding of managing growth in a technology-oriented startup to the I-Open team. Corey will receive his MBA from the Wharton School in May 1999 and has his undergraduate degree from the University of Virginia.

Douglas Tibbets, President, Lyons Marketing Communication, Inc.: Doug came to Lyons from the Timberland company in 1990 where he led their line extensions into apparel and accessories as U.S. Sales and Marketing manager. Prior to joining Timberland in 1985, Doug served as U.S. Marketing Manager for the Gore-Tex fabric division of W. L. Gore and Associates. While at Gore, Doug also had the opportunity to manage their international business in his role as International Sales and Marketing Manager from 1982 to 1983. In addition to Doug's client-side marketing experience, he has worked on a variety of national accounts including Southwick clothing, Kenneth Gordon, Sperry Top-Sider, Sunfish-Laser, Fila, Kiwi and Swiss Army Brands. He excels in strategic marketing planning. Doug is a 1980 graduate of the University of Delaware where he played varsity football.

Donna Kealey Freet, Vice President, Media Director, Lyons Marketing Communication, Inc.: Donna has more than 20 years experience in the advertising/media field. She is currently responsible for the management of all Lyons media services. She

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PATENT

jc841 U.S. PTO  
60/197735  


IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of )  
Carney et al. )  
Serial No. Unassigned ) Group Art Unit: Unassigned  
Filed: Concurrently ) Examiner: Unassigned  
For: "System and Method for Distributing )  
Out-of-Home Advertising via the )  
Internet" )

AUTHORIZATION TO TREAT REPLY REQUIRING EXTENSION OF TIME  
AS INCORPORATING PETITION FOR EXTENSION OF TIME

Assistant Commissioner for Patents  
Washington, D.C. 20231

NEEDLE & ROSENBERG, P.C.  
Suite 1200, The Candler Building  
127 Peachtree Street, N.E.  
Atlanta, Georgia 30303-1811

November 10, 1998

Sir:

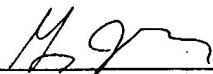
Pursuant to 37 C.F.R. §1.136(a)(3), the Commissioner is hereby requested and authorized to treat any concurrent or future reply in the above-identified application, requiring a petition for an extension of time for its timely submission, as incorporating a petition for extension of time for the appropriate length of time.

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The Commissioner is hereby authorized to charge any fees which may be required, or credit any overpayment to Deposit Account No. 14-0629.

Respectfully submitted,

NEEDLE & ROSENBERG, P.C.



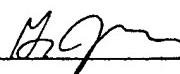
\_\_\_\_\_  
Gregory J. Kirsch

Registration No. 35,572

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Suite 1200, The Candler Building  
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In re Application of	
Application Number <b>60/107735</b>	Filed <b>11-10-98</b>
Art Unit	Examiner

Paper No. 2Assistant Commissioner for Patents  
Washington, DC 20231

1.  I hereby request access under 37 CFR 1.14(e)(2) to the application file record of the above-identified ABANDONED Application, which is not within the file jacket of a pending Continued Prosecution Application (CPA) (37 CFR 1.53(d)) and is: (CHECK ONE)

 (A) referred to in:United States Patent Application Publication No. 60/8275, page \_\_\_\_\_, line \_\_\_\_\_.United States Patent Number \_\_\_\_\_, column \_\_\_\_\_, line \_\_\_\_\_, or  
an International Application which was filed on or after November 29, 2000 and which

designates the United States, WIPO Pub. No. \_\_\_\_\_, page \_\_\_\_\_, line \_\_\_\_\_.

 (B) referred to in an application that is open to public inspection as set forth in 37 CFR 1.11(b) or

1.14(e)(2)(i), i.e., Application No. \_\_\_\_\_, paper No. \_\_\_\_\_, page \_\_\_\_\_, line \_\_\_\_\_.

2.  I hereby request access under 37 CFR 1.14(e)(1) to an application in which the applicant has filed an authorization to lay open the complete application to the public.

Henry Diao  
Signature

6-26-02

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